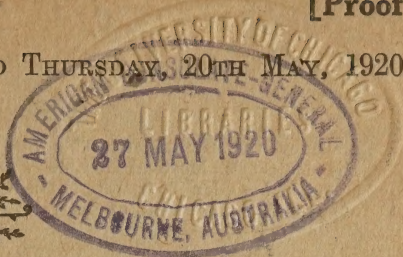


No. 18.

[ISSUED THURSDAY, 20TH MAY, 1920.]

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COMMONWEALTH OF AUSTRALIA.

Parliament

PARLIAMENTARY DEBATES.

FIRST SESSION, 1920.

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EIGHTH PARLIAMENT.

FIRST SESSION.

Governor-General.

His Excellency the Right Honorable Sir RONALD CRAUFURD MUNRO FERGUSON, a Member of His Majesty's Most Honorable Privy Council, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, and Commander-in-Chief in and over the Commonwealth of Australia.

Australian National Government.

(From 10th January, 1918.)

| | | |
|---|----|---|
| Prime Minister and Attorney-General | .. | The Right Honorable William Morris Hughes, P.C., K.C. |
| Minister for the Navy | .. | The Right Honorable Sir Joseph Cook, P.C., G.C.M.G. |
| Treasurer | .. | The Right Honorable Lord Forrest, P.C., G.C.M.G. |
| | | <i>Succeeded by</i> |
| | | The Right Honorable William Alexander Watt, P.C. (27th March, 1918). |
| Minister for Defence | .. | The Honorable George Foster Pearce. |
| Minister for Repatriation .. | .. | The Honorable Edward Davis Millen. |
| Minister for Works and Railways | .. | The Right Honorable William Alexander Watt, P.C. |
| | | <i>Succeeded by</i> |
| | | The Honorable Littleton Ernest Groom (27th March, 1918). |
| Minister for Home and Territories | .. | The Honorable Patrick McMahon Glynn, K.C. ††† |
| | | <i>Succeeded by</i> |
| | | The Honorable Alexander Poynton (4th February, 1920). |
| Minister for Trade and Customs | .. | The Honorable Jens August Jensen.† |
| | | <i>Succeeded by</i> |
| | | The Right Honorable William Alexander Watt, P.C. (13th December, 1918). |
| | | <i>Succeeded by</i> |
| | | The Honorable Walter Massy Greene (17th January, 1919). |
| Postmaster-General | .. | The Honorable William Webster.††† |
| | | <i>Succeeded by</i> |
| | | The Honorable George Henry Wise (4th February, 1920). |
| Vice-President of the Executive Council | .. | The Honorable Littleton Ernest Groom. |
| | | <i>Succeeded by</i> |
| | | The Honorable Edward John Russell (27th March, 1918). |
| Honorary Minister | .. | The Honorable Edward John Russell. |
| | | Appointed Vice-President of the Executive Council, 27th March, 1918. |
| Honorary Minister | .. | The Honorable Alexander Poynton. |
| | | Appointed Minister for Home and Territories, 4th February, 1920. |
| Honorary Minister | .. | The Honorable George Henry Wise. |
| | | Appointed Postmaster-General, 4th February, 1920. |
| Honorary Minister | .. | The Honorable Walter Massy Greene. |
| | | Appointed Minister for Trade and Customs, 17th January, 1919.* |
| Honorary Minister | .. | The Honorable Richard Beaumont Orchard.** |
| Honorary Minister | .. | The Honorable Sir Granville de Laune Byrie, K.C.M.G., C.B., V.D. †† |
| Honorary Minister | .. | The Honorable William Henry Laird Smith.†† |

* Appointed 26th March, 1918.—† Removed from office, 13th December, 1918.—** Resigned office 31st January, 1919.—†† Appointed 4th February, 1920.—††† Resigned 3rd February, 1920.

Senators.

President—Senator the Honorable Thomas Givens.

Chairman of Committees—Senator John Wallace Shannon.

| | |
|---------------------------------------|---------------------------------------|
| 1 Bakhap, Thomas Jerome Kingston (T.) | Lynch, Hon. Patrick Joseph (W.A.) |
| Barker, Stephen (V.) | Maughan, William John Ryott (Q.) |
| Barnes, John (V.) | 1 McDougall, Allan (N.S.W.) |
| Bolton, William Kinsey (V.) | Millen, Hon. Edward Davis (N.S.W.) |
| 1 Buzacott, Richard (W.A.) | † Mulcahy, Hon. Edward (T.) |
| Crawford, Thomas William (Q.) | Needham, Edward (W.A.) |
| De Largie, Hon. Hugh (W.A.) | 1 Newland, John (S.A.) |
| Earle, Hon. John (T.) | O'Keefe, Hon. David John (T.) |
| Fairbairn, George (V.) | O'Loughlin, Hon. James Vincent (S.A.) |
| Ferrieks, Myles Aloysius (Q.) | Pearce, Hon. George Foster (W.A.) |
| Foll, Hattil Spencer (Q.) | Plain, William (V.) |
| Gardiner, Hon. Albert (N.S.W.) | Pratten, Herbert Edward (N.S.W.) |
| Givens, Hon. Thomas (Q.) | Reid, Matthew (Q.) |
| Grant, John (N.S.W.) | Rowell, James, C.B. (S.A.) |
| Guthrie, Robert Storrie (S.A.) | Russell, Hon. Edward John (V.) |
| Guy, James (T.) | Senior, William (S.A.) |
| Henderson, George (W.A.) | Shannon, John Wallace (S.A.) |
| Keating, Hon. John Henry (T.) | Thomas, Hon. Josiah (N.S.W.) |
| * Long, Hon. James Joseph (T.) | |

1. Appointed Temporary Chairman of Committees, 26th February, 1920.—* Resignation reported, 20th December, 1918.

† Appointed by State Parliament, 15th January, 1919.—Sworn 26th June, 1919, and elected to fill vacancy, 13th December, 1919.—Sworn 13th May, 1920.

said as to the fairness and meritorious character of the claim which has been made for increasing the allowance to honorable members, and I am sure the claim could be justified on the public platform.

HONORABLE MEMBERS.—Question!

Mr. MAHONY (Dalley) [6.25].—I would like to say a few words in support of the amendment, but as honorable members are apparently anxious to take a vote upon it at once, I am quite willing to resume my seat.

Question—That the words proposed to be omitted stand part of the question—put. The House divided.

| | | | |
|---------|----|----|----|
| Ayes .. | .. | .. | 16 |
| Noes .. | .. | .. | 42 |
| | | | — |

| | | |
|-------------|----|----|
| Majority .. | .. | 26 |
|-------------|----|----|

AYES.

Bell, G. J.
Best, Sir Robert
Bruce, S. M.
Cook, Robert
Foster, Richard
Fowler, J. M.
Francis, F. H.
Gabb, J. M.
Gregory, H.

Hill, W. C.
Lister, J. H.
McWilliams, W. J.
Prowse, J. H.
Wienscholt, A.

Tellers:

Bowden, E. K.
Maxwell, G. A.

NOES.

Anstey, F.
Bamford, F. W.
Bayley, J. G.
Blakeley, A.
Brennan, F.
Cameron, D. C.
Catts, J. H.
Charlton, M.
Considine, M. P.
Cook, Sir Joseph
Corser, E. B. C.
Cunningham, L. L.
Fenton, J. E.
Groom, L. E.
Higgs, W. G.
Hughes, W. M.
Jackson, D. S.
Kerby, E. T. J.
Lamond, Hector
Lavelle, T. J.
Lazzarini, H. P.
Mackay, G. H.

Mahon, H.
Mahony, W. G.
Makin, N. J. O.
Maloney, Dr.
Marks, W. M.
Moloney, Parker
Page, Dr. Earle
Poynton, A.
Riley, E.
Rodgers, A. S.
Ryan, T. J.
Ryrie, Sir Granville
Smith, Laird
Story, W. H.
Tudor, F. G.
Watkins, D.
West, J. E.
Wise, G. H.

Tellers:

Burchell, R. J.
Page, James

PAIRS.

| | |
|---------------|-----------------|
| Gibson, W. G. | Chapman, Austin |
| Jowett, E. | Marr, C. W. C. |

Question so resolved in the negative.

Amendment agreed to.

Question, as amended, resolved in the affirmative.

4 K

AUSTRALIAN SOLDIERS' REPATRIATION BILL.

Message received from the Senate intimating that it had agreed to the alternative amendment made by the House of Representatives in this Bill.

PROCEDURE ON BILLS.

MINISTERS' ATTENDANCE IN EITHER HOUSE.

Message received from the Senate intimating that it had passed the following resolution, in which it asked the concurrence of the House of Representatives:—

That the Standing Orders Committees of the Senate and the House of Representatives be requested to consider the question of preparing Standing Orders providing that a Minister in either House may attend and explain and pilot through the other House any Bill of which he has had charge in his own House.

ADJOURNMENT.

ARBITRATION COURT CONGESTION.

Motion (by Mr. HUGHES) proposed—That the House do now adjourn.

Mr. HECTOR LAMOND (Illawarra) [6.37].—I feel justified in detaining the House for a moment, in order to ask if the Government have taken any steps yet to relieve the congestion in the Arbitration Court.

Mr. GROOM (Darling Downs—Minister for Works and Railways) [6.38].—A commission has been issued to Mr. Justice Starke, who will act as Deputy President of the Court.

Question resolved in the affirmative.

House adjourned at 6.39 p.m.

Senate.

Friday, 14 May, 1920.

The PRESIDENT (Senator the Hon. T. Givens) took the chair at 11 a.m., and read prayers.

PROCEDURE ON BILLS.

PERSONAL EXPLANATION.

Senator THOMAS—(By leave).—I regret to say that yesterday I inadvertently misinformed the Senate in connexion with a certain matter. I made

the statement that, although a Royal Commission had been appointed in Victoria to deal with certain proposed constitutional reforms, and, amongst them, the right of Ministers to speak in either House of the Parliament, that reform was not adopted in the amended Constitution of 1915. I find that I was mistaken, and that the reform was included in the measure amending the then existing Constitution. The section dealing with the matter reads—

Notwithstanding anything contained in the Constitution Act or in this Act, any responsible Minister of the Crown who is a member of the Council or of the Assembly may at any time, with the consent of the House of Parliament of which he is not a member, sit in such House for the purpose only of explaining the provisions of any Bill relating to or connected with any Department administered by him, and may take part in any debate or discussion upon such Bill, but he shall not vote except in the House of which he is an elected member.

It shall not be lawful at any one time for more than one responsible Minister under the authority of this section to sit in the House of which he is not a member.

Senator ROWELL.—Does the section give power to the Minister to sit in a House of which he is not a member while it is in Committee?

Senator THOMAS.—Yes. I may say that in certain instances the provision I have quoted has been taken advantage of in the Victorian Parliament.

Senator BAKHAP.—Very rarely.

Senator THOMAS.—That may be so, but the right conferred has been exercised with very great advantage, especially on one occasion, when Mr. Swinburne, being a Minister of the Crown, with a seat in the Legislative Assembly, went up to the Legislative Council, and very successfully piloted one of his own Bills through that Chamber.

RESIDENT MINISTER IN LONDON.

Senator FOLL.—I ask the Leader of the Government in the Senate whether he has noted a statement, recently published in the press, reporting a speech by the Treasurer (Mr. Watt) in London, to the effect that he is in favour of a Commonwealth Minister being continually in London. I should like to know whether Mr. Watt has in this matter given expression to the policy of the Government,

and, if so, whether it is their intention to have a Minister resident in London as well as the High Commissioner, or whether it is intended that the office of High Commissioner shall be filled by a gentleman holding a Ministerial portfolio.

Senator MILLEN.—I think it must be generally known to honorable senators that in the minds, not only of Ministers, but of many other public men, for some time the necessity of having a closer connexion between the Government of Australia and the authorities at Home has been growing more and more urgent. No definite decision has been arrived at on the matter entitling me to say at this juncture that it is part of the Government policy.

DUTIES ON IMPORTS.

EXCHANGE RATES.

Senator PRATTEN asked the Minister representing the Minister for Trade and Customs, *upon notice*—

1. On what basis of exchange rates is duty being assessed by the Customs Department in the case of importations from—

- (a) France.
- (b) Italy.
- (c) Belgium.
- (d) United States.
- (e) Japan?

2. What is approximately the difference in excess duty paid on the products of France and Italy owing to the incidence of present exchange rates as compared with the duty payable on the imports from the United States and Japan?

3. Is the United States Customs Department charging duty on imports from the United Kingdom on the basis of 4.86 dollars per £1 sterling, irrespective of the fact of the exchange being much lower?

4. Does the Minister consider the incidence of present methods as fair treatment to France as compared with treatment of goods from other Allies?

Senator RUSSELL.—The reply furnished by the Minister for Trade and Customs is that the information is being obtained.

WAR PRECAUTIONS ACT.

DATE OF EXPIRATION.

Senator PRATTEN asked the Leader of the Government in the Senate, *upon notice*—

Will the War Precautions Act expire three months after the proclamation of peace with Austria, and, if so, has the Government any

information as to when such proclamation will be issued by the Imperial authorities?

Senator MILLEN.—The War Precautions Act will expire at the expiration of three months after the issue by the Governor-General of the proclamation specified in section 2 of the War Precautions Act 1914-1918, declaring that the war with Germany and Austria-Hungary has ceased. The Government has not yet been officially advised of the ratification of the Peace Treaty with Austria. The Peace Treaty with Hungary has not yet been signed.

AUDIT BILL.

SECOND READING.

Senator MILLEN (New South Wales—Minister for Repatriation) [11.5].—I move—

That this Bill be now read a second time.

It is the rule that, in moving the second reading of a Bill, the person in charge of it should deal only with its general principles. This Bill, however, is like the apple of the small boy—it has no principles. It is a mere detail measure covering machinery of administration. It is not possible to debate it except by referring to each of the clauses separately, and dealing with them at this stage, as if we were in Committee. I could not otherwise explain the purpose of the Bill, and I, therefore, invite the Senate to pass the second reading in order that I may deal with the various clauses when we come to consider them. I do not propose to ask honorable senators to proceed with the Bill in Committee to-day, but will leave that for next Wednesday. I should like to indicate the character of some of the amendments of the law proposed by the Bill in order to justify my statement that it is a mere machinery measure. For instance clause 3 provides for the location of the gold held by the Treasurer. There is some doubt whether, under the existing law, the Treasurer ought not to place that gold in the custody of a bank. Honorable senators are aware that, as a matter of fact, it is kept in the Treasury Building. An amendment of the law is proposed in this Bill to clear up that matter. Another amendment proposed is to permit the Auditor-General to exercise a certain

discretion as to the extent of his audit. In making this provision the Government are following a recommendation of the Royal Commission that inquired into Naval and Defence administration. Several other recommendations of that Commission are given effect in the Bill. I may give another indication of the character of the Bill by saying that clause 8 proposes the repeal of section 45 of the principal Act, wherein the duties of the Auditor-General are laid down. The Royal Commission to which I have referred pointed out that many of the duties imposed upon the Auditor-General involve a mere waste of time, and consequently of money. The purpose of the proposed amendment is to give the Auditor-General some discretion as to whether he shall or shall not follow literally the direction of the principal Act in this regard.

Question resolved in the affirmative.
Bill read a second time.

In Committee:

Clause 1 agreed to.
Progress reported.

NAVIGATION BILL.

Consideration resumed from 6th May (*vide* page 1830), on motion by Senator RUSSELL—

That this Bill be now read a second time.

Question resolved in the affirmative.
Bill read a second time.

In Committee:

Clause 1 agreed to.

Clause 2 (Commencement).

Senator EARLE (Tasmania) [11.12].—I should like the Minister in charge of the Bill to give the Senate some idea as to when it will be brought into operation. There has been a very great deal of dissatisfaction, particularly amongst seamen, because of the continued delay in bringing into force the Navigation Act as it stands on our statute-book to-day. The delay in postponing the issue of the proclamation continues, and I direct attention to the fact that this amending measure, if passed, will remain merely a dead letter until it is proclaimed in force by the Governor-General. If the laws we pass are good they should be brought into operation as soon as possible, otherwise it is a waste of our time to discuss and pass them.

I have been through this Bill and see nothing in it to which exception can be taken. I am, as a matter of fact, prepared to allow the clauses to be passed *in globo*, but I should like to be assured that when the Bill does become law it will not remain a dead letter, as the existing Navigation Act has been.

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [11.14].—Senator Earle has asked a question to which it is difficult to give a direct answer, because it is not easy to say when our existing troubles will be at an end. Some little delay, however, in bringing the Act into operation will do very little harm, because most of the work required to be done under the Navigation Act has already been accomplished. For instance, the improved accommodation for seamen required by the Act has already been largely taken in hand by shipowners in anticipation of the Act coming into operation. They have for some two years past been taking action to bring their vessels up to the requirements of the Act. The real difficulty is that, owing to war conditions, more than one-third of our boats have disappeared, or have been requisitioned by the British Government, and we are to-day, at least, twenty boats short of the number we require to carry on the normal trade on our coast.

Senator MAUGHAN.—Are there not international difficulties in the way?

Senator RUSSELL.—They present no great obstacle at the present time. I may say that the Western Australian Government have some boats, and with the exception of one very small vessel they are not suitable for ordinary trading on the Western Australian coast. Immediately the owners of vessels engaged in the Eastern trade became aware of the provisions of our Navigation Act they intimated that if it were applied to boats trading with the north-western part of Western Australia and other isolated ports, they would be obliged to withdraw the vessels. It must be remembered that ship-owners in the Eastern trade employ Eastern labour, and it is not likely that they will displace their own people. The Western Australian Government realized what was about to happen, and appealed to the Commonwealth to provide vessels or to replace

the Eastern boats that were to be withdrawn. We were not able to make ships available, so that we have to bow to the inevitable and provide exemption for the north-west part of Western Australia and other isolated ports of the Commonwealth. It is hoped, however, that the shipping trade will become normal before very long, and it is the desire of the Government to then proclaim the Act. Nearly all the vessels in the Eastern coastal trade have been brought into line with the provisions of the Navigation Act, and it is not likely that there will be any trouble so far as they are concerned.

Senator BAKHAP (Tasmania) [11.19].—I had intended to offer a few brief remarks on the measure at its second-reading stage, but it was passed while I was temporarily absent from the Chamber. I think, however, that I shall be able to say all I want to, in the debate upon this clause, so long as I do not overstep the bounds observed by the Minister. He spoke of the shipping needs of the north-western part of Australia, and stated it will be necessary to exempt certain vessels trading between Australia and the East. So far from indulging in criticism of Ministerial action in relation to this matter, we should recognise that it is the right thing, because those ports are dependent to a large extent, and perhaps almost wholly, on the services of the vessels referred to.

Senator MAUGHAN.—Not only Western Australia, but other ports on our coast as well.

Senator RUSSELL.—I referred to the needs of other isolated ports.

Senator BAKHAP.—Quite so. The Minister's remarks were somewhat more comprehensive than would appear from my brief allusion to them. I want to bring under the notice of honorable senators the fact that the Act itself is a comprehensive one of over 400 clauses, and that this Bill, which contains no less than 129 clauses, indicates the difficulties surrounding all navigation questions, especially when we are going in for a policy of what I may term maritime exclusion in regard to our coastal trade. The Hobart Chamber of Commerce—which by no means has taken the initiative, for this question has been discussed for some years past throughout Tasmania—recently pointed out to me, as well as

to other Tasmanian representatives, how the provisions of the main Act, and particularly section 286, would be prejudicial to the interests of Hobart if the Act were operated in its entirety. Of course, I know that the purpose is to secure to Australian shipping companies the coasting trade, to which they think they have a valid claim by reason of the fact that better conditions and wages are provided for coastal seamen. But we must not forget that Tasmania is an insular State, and if the main Act be unamended and fully enforced it will do a great deal of injury to the commercial interests of that State. That exemption would be extended to British-owned ships touching at Hobart. The fact that these have an opportunity of engaging in the coastal trade may be sufficient inducement to them to continue in the service. The vessels of the Shaw-Albion line, for instance, which called at Hobart and continued the journey to New Zealand, and sometimes thence to South America, did the trade of Hobart an infinite amount of good. I was given to understand by responsible members of the Hobart Chamber of Commerce that the enforcement of the provisions in the main Act against British vessels engaged in our coastal trade in the circumstances I have mentioned, may vitally militate against the vital shipping facilities of Tasmania. If the Government, in their wisdom, think it advisable to exempt certain lines trading to isolated ports of Australia because of reasons given by the Minister, I make the same claim for similar continuation on behalf of Tasmania. We all remember the extreme difficulties of that State during the maritime strikes. Tasmania, of all the States of the Commonwealth, with the exception, perhaps, of the northern portion of Queensland, suffered the most; and, therefore, I think that, as special consideration is being given to certain other ports of the Commonwealth, the position of Tasmania should likewise continue to receive special notice. I am not very apprehensive that any great danger will accrue to the ship-owners' or the seamen's interests if British vessels are permitted to engage in the Australian coastal trade, because there is going to be a very rapid approximation in regard to conditions and wages for white sailors in other parts of the world, and especially

those leaving ports of the United Kingdom on British vessels.

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [11.25].—I agree with what the honorable senator has said, and I am in favour of some such discrimination as he has suggested. The object of the main Act is to prevent unfair competition with ships and seamen engaged in our coastal trade; but, as Senator Bakhap has pointed out, the conditions of seamen in other parts of the world have been revolutionized of late years, and I am doubtful if there is much cheap labour now, judging by some of the rates paid on British ships.

Senator BAKHAP.—I want a recognition of the principle, in view of the particular difficulties of Tasmania.

Senator RUSSELL.—There is power to exempt vessels trading to Tasmania in the same manner as to any other ports and as long as this Government are in power, the claims of Tasmanian ports, as well as any other Australian ports similarly situated, will receive sympathetic consideration.

Clause agreed to.

Clauses 3 and 4 agreed to.

Clause 5 (Postponement of date of commencement).

Senator SENIOR (South Australia) [11.29].—I should like to know what is the position under this clause, as I fear there is a possibility that it will interfere seriously with those parts of the Act already proclaimed.

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [11.31].—One of the difficulties experienced in connexion with the principal Act was that, after it had been proclaimed by the Governor-General, we had no power to suspend that proclamation. Consequently the Act automatically came into operation. Under this clause, however, we shall be empowered, should existing conditions suddenly change, to suspend the proclamation temporarily, so as to prevent any part of the Act becoming operative.

Clause agreed to.

Clauses 6 to 95 agreed to.

Clause 96—(Permits to unlicensed ships).

Senator MULCAHY (Tasmania) [11.45].—Needless to say the Tasmanian people are strongly in favour of extending the power of exemption formerly

held by the Governor-General, and which applied only to permits for vessels carrying passengers. I understand, now, that the discretion is to be placed entirely in the Minister's hands and that under certain conditions it can be extended. According to the clause permits can be issued only when no licensed ship is available for the service, or when the service as carried out by the licensed ship or ships is inadequate to the need of such port or ports. I would like the Minister in charge of the Bill to consider whether a slightly more generous provision cannot be provided. It is quite conceivable that the service between such ports as Fremantle, Albany and Hobart, and Adelaide and Hobart, or, in fact, any other port in Tasmania, may be considered adequate, although the trade and commerce between such ports could be considerably increased. I suggest to the Minister that either in this clause, or in some other provision of the Bill the power might be slightly extended, as there is every possibility of occasions arising when it would be of considerable benefit to the trading community. I have not drafted an amendment, but I think a new paragraph *c* could be inserted to provide that in the event of an increase in trade between different ports the Minister should have the power to grant permits.

Senator **RUSSELL** (Victoria—Vice-President of the Executive Council) [11.48].—The Bill is very largely drafted to deal with such cases. If vessels are calling at Hobart every four or six weeks, say, for apples, and other boats are not available, it is not likely that additional vessels will be forced into the trade. The most isolated ports will always be taken into consideration by the Government while abnormal conditions prevail.

Clause agreed to.

Clauses 97 to 129, and title, agreed to.

Bill reported without amendment; report adopted.

ADJOURNMENT.

PUBLIC SERVICE: MR. McLACHLAN'S REPORT.

Motion (by Senator MILLEN) proposed—

That the Senate do now adjourn.

Senator **THOMAS** (New South Wales) [11.56].—Some time ago I asked whether Mr. McLachlan had been directed to report on the Civil Service generally, and if he had reported, when the document would be available to honorable senators. I received a reply to the effect that Mr. McLachlan had been appointed, and I was astonished to learn that his report was presented eighteen months ago. I was also informed that the report would not be available to honorable senators until an amending Public Service Bill was introduced.

Senator **MILLEN**.—I think the answer to the honorable senator's question was that the report would be made available before the Bill was introduced.

Senator **THOMAS**.—I am rather glad to have that explanation, because I am anxious to know when we are likely to receive the report. I also enquired whether it would be available before the Estimates were dealt with by the Senate, and I now understand that I was informed that it would be presented before the Bill the Government contemplated introducing was submitted for our consideration. Since I asked that question a paragraph has appeared in the newspapers relating to the report in which it is stated that—

Mr. McLachlan has expressed concurrence with the view that the machinery for terminating contracts of service between private individuals and the Government should be simplified. Mr. McLachlan, after a long experience, has formed the opinion that the heads of the Departments, who, because of their lack of authority, are now little more than figure-heads, should be charged with the responsibility of making promotions within the branches controlled by them.

If this paragraph is correct, apparently the representatives of the press have had an opportunity of perusing the report.

Senator **MILLEN**.—That does not necessarily follow.

Senator **THOMAS**.—If they have not it is remarkable that they are able to comment on the report in the way they have. If either of these statements—I will not say both—are correct, honorable senators should have an opportunity of perusing the document. I understand that within a week or two we shall have either the Estimates or a Supply Bill before us, and in discussing either we shall have to vote a con-

siderable sum for the Civil Service. In view of the statements that have appeared in the press concerning Mr. McLachlan's report, it should certainly be available to honorable senators, or some satisfactory reason given for its being withheld. If the heads of the Department are only figureheads, and we are asked to deal with the salaries of our public servants, the Government ought to give us the earliest opportunity to see what Mr. McLachlan said. He was deputed to deal with the whole question, and I know of no one in Australia who could speak on the subject with greater authority and more knowledge than he could. It is strange that a report submitted by him eighteen months ago at the request of the Government has not yet been presented to Parliament. The Senate can please itself what it does, but if, after such a report has been in the hands of the Government for eighteen months, and statements such as I have quoted have appeared in the press, honorable senators are prepared to pass Supply Bills, or the Appropriation Bill, without seeing the contents, they will be simply voting money in the dark.

Will the Minister also state what he wishes honorable senators to do next week? Does he want us to come back next week, and will he expect us to pass a Supply Bill or the Appropriation Bill? I take it that we cannot be here the week after next, and I should be glad if the Minister will state on what days he wants us here next week, and what work he wishes us to do.

Senator MILLEN (New South Wales—Minister for Repatriation) [12.2].—Personally, I want honorable senators here always, but the question is what public business demands. It will be necessary to invite honorable senators to attend next week. There are two matters which do not brook delay, and next week the Senate will be invited to consider the Anglo-Persian Oil agreement, and also two Supply Bills, one to cover the balance of the present financial year, and the other to give Supply for some brief period after the 30th June next. The reason why that course is necessary is that, in view of the contemplated adjournment in connexion with the visit of the Prince of Wales, it will not be possible for the Houses to re-assemble to pass Supply

prior to the 30th June. If the Senate adjourns in connexion with the Prince's tour, it is not desirable to ask it to meet again until after the 1st July, on which date the senators-elect will be qualified to take their positions. I do not say that I have mentioned the only two matters that must be dealt with next week, but I have no knowledge at present of any other business which the Senate will be asked to deal with before the adjournment.

I recognise the natural desire of honorable senators to be made acquainted with the contents of Mr. McLachlan's report. I have not seen the press paragraphs referred to by Senator Thomas, but he is a sufficiently old politician not to take for granted everything that appears in the press, nor will he connect such publication with any action of the Government in making the report available to the press. The press has other opportunities to forecast what is in a report. Sometimes it contents itself with clever guesses, and sometimes the guesses are clumsy. Sometimes it manages to obtain information in a quite illicit way. Not having seen the paragraph, I cannot say whether it is accurate or not. The Government will, as stated previously, make the report available to Parliament in ample time for members to consider it, and also the Government's own proposals relative to the Public Service. The Government do not think it desirable to make the report public until they have finally defined their own policy on that question. They will, within a few days of the presentation of the report, or, perhaps, simultaneously with it, make available their own proposals regarding the future management of our great Public Service. I shall bring before my colleagues Senator Thomas's further expression of opinion, which, I take it, is a general indication of the desire of honorable senators to see the report as early as it is possible to lay it on the table.

Senator PEARCE.—It does not affect this financial year.

Senator MILLEN.—As my colleague reminds me, the report cannot possibly affect the Appropriation Bill for the current financial year, to which Senator Thomas refers.

Senator THOMAS.—Still, on the Estimates, members do not deal only with the

past; they speak of what ought to be done in the future.

Senator MILLEN.—If the honorable senator means an opportunity for unlimited talk—

Senator THOMAS.—An opportunity for honest criticism.

Honest MILLEN.—The Estimates for this year cannot be affected by anything that may be done in regard to the future control of the Public Service. A full opportunity for discussing the future policy in that regard will arise when the new Public Service Bill is presented for the approval of Parliament.

Question resolved in the affirmative.

Senate adjourned at 12.7 p.m.

House of Representatives.

Friday, 14 May, 1920.

Mr. SPEAKER (Hon. W. Elliot Johnson) took the chair at 11 a.m., and read prayers.

COMMONWEALTH PUBLIC SERVANTS.

BASIC LIVING WAGE.

Mr. LISTER.—In view of the expressed intention of the Prime Minister to recommend to Cabinet the proposal to increase the remuneration of members of Parliament by an amount which will add between £40,000 and £45,000 per annum to the cost of governing the Commonwealth, I ask the right honorable gentleman if he will also recommend that all employees of the Commonwealth shall receive at least the recognised basic living wage?

Sir JOSEPH COOK.—I am under the impression that almost without exception they already receive that wage; but I shall be glad to call the attention of the Prime Minister to the honorable member's question.

WHEAT POOLS.

DISTRIBUTION OF MONEYS.

Mr. GREGORY.—Last week I asked if the Government, because of the delay in settling the accounts of the "A" and

"B" Wheat Pools, would make representations with a view to having distributed as speedily as possible any money to the credit of those Pools which is available for distribution, and it was promised that an inquiry should be made. I wish to know if anything has been done in the matter, and, if not, whether something may not be done as soon as possible?

Sir JOSEPH COOK.—I have no information at hand yet, but I shall look into the matter again and endeavour to obtain it.

WHEAT AND WOOL POOL CREDITS.

Mr. McWILLIAMS.—Can the Minister for the Navy, as Acting Treasurer, let us know on Tuesday the actual position of the credits in Australia of the Wheat and Wool Pools? Can he tell us briefly what the total credits are? This would simplify matters when we deal with the Supply Bill, which must come before us shortly.

Sir JOSEPH COOK.—I shall be glad to furnish the honorable member with the information for which he asks.

INCOME TAX EXEMPTION.

Mr. CHARLTON.—In view of the reduction in the purchasing power of money of late years, will the Government, in the interests of the workers, take into consideration the advisability of increasing the income tax exemption from £156 to £250 per annum?

Sir JOSEPH COOK.—I am afraid that I shall have to take the matter of exemptions, and other aspects of our income tax legislation, into consideration in view of the many commitments of the Government.

POSTAGE ON NEWSPAPERS.

Mr. HIGGS.—Will the Prime Minister have a return prepared showing the rates charged in Great Britain for the carriage of newspapers by post, and giving an estimate of the loss to the Commonwealth from the carriage of newspapers in this country at lower rates? Will he have a comparison made which will show the extent to which the newspaper proprietors of this country are receiving charitable aid from the Government?

Mr. HUGHES.—I think that is an urgent question, and, as I have no inherent bias against what is proposed, I shall certainly do what is asked.

PROFIT ON CORNSACKS.

Mr. HILL asked the Minister for Trade and Customs, *upon notice*—

1. What is the actual profit made on the sales of cornsacks bought on behalf of the farmers by the Government?

2. How much of this amount is to be returned to the wheat-growers?

3. How and when is it to be done?

Mr. LAIRD SMITH (for Mr. GREENE).—The information is being obtained.

ALLOWANCE POSTAL OFFICERS.

Mr. GABB asked the Postmaster-General, *upon notice*—

1. Whether allowance officers have received an increase in their rates of payment since 1914?

2. If so, what was the percentage rate of increase at the end of 1919 compared with 1914?

3. When fixing rates of remuneration for allowance officers, are such duties as cleaning offices, posting notices, replying to inquiries, electoral work, &c., taken into consideration?

4. Are allowance officers to participate in the War Bonus?

Mr. WISE.—The answers to the honorable member's questions are as follows:—

1. Yes.

2. Seventeen per cent., amounting in the aggregate to £43,347 for all non-official offices.

3. Yes.

4. The bonus or allowance referred to by the honorable member was granted by the Arbitration Court to those whose sole means of livelihood is derived from their employment in the Public Service, which is not supposed to be the case with allowance postmasters.

ELECTORAL RETURNS.

Mr. WATKINS (for Dr. MALONEY) asked the Minister for Home and Territories, *upon notice*—

For the convenience of readers, will he have the statistical returns in connexion with the elections of senators and members of the House of Representatives made up into book form instead of the inconvenient form now in use?

Mr. POYNTON.—The returns relating to the voting within each Division are given in the most compact possible form. The question of printing in more concise form the returns showing the voting within each State, and the summaries relating to previous elections, will be considered in connexion with future elections.

WAR SERVICE HOMES.

EMPLOYMENT OF SOLDIER ARTISANS.

Mr. MARR asked the Minister representing the Minister for Repatriation, *upon notice*—

1. Whether he will state how many returned soldiers who have been vocationally trained as bricklayers, carpenters, tilers, painters, plumbers, plasterers, &c., are employed upon the construction of homes for soldiers under the War Service Homes Commission?

2. Will he state in which States such men are employed, and upon which groups of dwellings?

4. Do the men complete their training before being employed upon the construction of these dwellings?

Mr. POYNTON.—The Commissioner advises as follows:—

1. The number of trainees employed in connexion with the operations of the War Service Homes Commission is 51, as follows:—

| | |
|-------------|----|
| Bricklayers | 15 |
| Carpenters | 22 |
| Plasterers | 14 |

2. (a) Victoria, Western Australia, and Tasmania.

(b) Victoria.—Bell, Surrey Hills, Carnegie, and East Camberwell groups.

Western Australia.—West Subiaco and North Perth groups.

Tasmania.—Harbroes' group.

3. No. The trainees are at least 40 per cent. efficient, and receive the balance of their training whilst employed. In all cases, the work carried out by the trainees has been of a very satisfactory nature.

IMPORTED TEACHERS.

ALLEGATION OF DISLOYALTY.

Mr. KERBY asked the Prime Minister, *upon notice*—

1. Whether it is a fact that two Sinn Finn priests arrived in Melbourne *ex Orsova* on Wednesday, the 12th inst.?

2. Whether such priests are stated to have been imported as teachers at Xavier College, Melbourne?

3. Whether such priests are alleged to have been guilty of disloyal behaviour on the voyage from England, and to have given offence to loyal fighting men returning from active service?

4. If, on inquiry, it is found that these allegations are substantiated, will he take steps to deport such priests before they have an opportunity of instilling pernicious teaching into the minds of young Australians?

Mr. HUGHES.—Inquiry will be made.

PRESENTATION OF ADDRESS-IN-REPLY TO THE GOVERNOR-GENERAL.

Mr. HUGHES.—The Address-in-Reply, to the Speech delivered by His Excellency

the Governor-General on the occasion of the opening of Parliament, will be presented to him at Government House, at 3.30 o'clock p.m. on the afternoon of Tuesday next.

SPECIAL ADJOURNMENT.

Motion (by Mr. HUGHES) agreed to—

That the House, at its rising, adjourn until Tuesday next, at 3 p.m.

OIL AGREEMENT BILL.

SECOND READING.

Debate resumed from 11th May (*vide* page 1976), on motion by Mr. HUGHES—
That this Bill be now read a second time.

Mr. RILEY (South Sydney) [11.10].

—Like most other honorable members, I desire the discovery of oil in this country. We have done our best to find oil in Papua and in other parts of the Commonwealth, and I still have great hopes of success; but, until that success has been obtained, we shall be in the clutches of those who at present supply this community with oil, that is, unless we can make some arrangement which may free us from them. At the present time, the Vacuum Oil Company, and other oil companies, have a complete monopoly of this market. They could, if they liked, stop our supplies; and they could also increase the price of oil. We are entirely dependent upon them. The Government, however, have invited the Anglo-Persian Oil Company to erect refineries here for the treatment of the crude oil which they will import. Personally, I do not object to this arrangement. In my opinion, to establish refineries here is a step in the right direction, no matter by whom taken. I would, of course, prefer to see the refineries erected by the Government, but the agreement that we are discussing creates a partnership between the Commonwealth and the Anglo-Persian Oil Company; and, ultimately, if we desire to take over these refineries, we shall be able to do so. As we have not yet found oil in this country, crude oil must be imported for treatment. I should like to know why provision is being made for the refining of only 200,000 tons of crude oil per annum, seeing that the Commonwealth needs nearly double that quantity. Is the company prepared to erect refineries which eventually will be capable

of wholly supplying our needs? If it or the Government will do that, I shall be very pleased. The objection has been raised that, by making this agreement, we are playing into the hands of a monopoly. But, even if that be so, the monopoly will not be so dangerous as that which at present exists. We are really entering into a partnership with the British Government and the Anglo-Persian Oil Company, and are at worst choosing the lesser of two evils. Having read the evidence given by officials of the Vacuum Oil Company before Boards of Inquiry and the Inter-State Commission, to justify applications for permission to increase the price of oil, I am astonished that some of these men are not now behind the bars of a gaol. According to Judge Edmunds, of New South Wales, they have made statements which are untrue, and have falsified their books. On the last occasion when the Vacuum Oil Company applied for permission to make an increase in the price of kerosene, the Judge said he would not hear the case. His mind was made up that the Vacuum Oil Company had so misled the Court, and so falsified its books, that he would not hear the case at all. He was prejudiced against the concern. When Judge Rolin was appointed to inquire into the matter of kerosene supply, he made certain very strong remarks. It is interesting to know how this company has extended its operations and interests. The report of the Inter-State Commission dealing with kerosene, benzine, oils, &c., contains highly entertaining statistics. The Vacuum Oil Company, by the way, has seven-eighths of its interests in America, while only one share is held in Australia. I invite honorable members' to study these figures:—

| Period. | Paid-up Capital. | Accrued Profits and Reserves. | Turnover. | Profits made. |
|---------|------------------|-------------------------------|-----------|---------------|
| | £ | £ | £ | £ |
| 1911 .. | 600,000 | | | 317,856 |
| 1912 .. | 600,000 | 203,254 | 1,701,356 | 301,140 |
| 1913 .. | 600,000 | 357,470 | 2,074,016 | 263,400 |
| 1914 .. | 600,000 | 471,646 | 2,209,839 | 274,020 |
| 1915 .. | 800,000 | 603,626 | 2,274,350 | 402,560 |
| 1916 .. | 800,000 | 806,208 | 2,883,184 | 579,520 |
| 1917 .. | 1,600,000 | 1,270,588 | 3,842,519 | 488,519 |

It will be noted that the capital of the company in 1915 had reached £800,000

—which was purely a book entry—and that in 1917 the paid-up capital amounted to £1,600,000. According to the remarks of the Judge that, also, was a book entry. The figures above reveal at a glance the enormous profits made by the Vacuum Oil Company within a very brief period. While the public was called upon to pay prices which were soaring rapidly higher and higher, this company was piling up enormous returns. It had made its own arrangements, of course, and there was no competition. Since August, 1914, the price of kerosene has risen from 6s. 11d. to 14s. 6d. per case—an increase of more than 100 per cent. The price of benzine since that same year has risen from 13s. 4d. to 23s. 8d. per case—an increase representing more than 77 per cent. We are consumers of oil in this country to the extent of about £4,000,000 per annum. We can realize what our position will shortly become if we are compelled to continue to pay the increased rates demanded by the monopoly. The Government are endeavouring to bring into the Australian market another competitor. The Vacuum Oil Company has taken good care to pass every risk on to the consumer. During 1915 and 1916, on a capital and reserves averaging £1,500,000, the company made a net profit of £981,000. Honorable members will be impressed with these particulars—

| Period. | Selling Price per Case. | Profit per cent. on Turnover. | Per Case. |
|---------|---------------------------------------|-------------------------------------|--|
| 1914 .. | Kerosene .. 7 2 Benzine .. 13 4 | } 12·07 | { 0/10.38d. 1/7.31d. |
| 1915 .. | Kerosene .. 7 8 Benzine .. 14 0 | | |
| 1916 .. | Kerosene .. 10 10 Benzine .. 19 10 | } 20·03 | { 1/4.03d. 2/5.28d. 2/2.04d. 3/9.67d. |

It will be noted that in two years the profit per case on both kerosene and benzine increased by about 150 per cent. The Inter-State Commission, in summing up, stated that the transactions of the Vacuum Oil Company constituted profiteering. While we have been paying enormously high prices for our oil commodities, the same, precisely, have been sold in the United States of America at considerably less. Without the shadow of doubt, we are in the hands of a complete monopoly, and we are justified in trying

to secure resources of our own. In entering into this contract with the Anglo-Persian Oil Company, we are to have a controlling number of shares. Activities will not be carried on in some far part of the world, but within our own borders. We shall have our own representatives upon the directorship, and we shall know everything that is taking place. The honorable member for Capricornia (Mr. Higgs) proposes an amendment to insure that the Government shall insist that so many thousand pounds per annum shall be expended in developing our own resources, with the object of securing raw crude oil from some part or another of Australia. I have had the pleasure of visiting New Guinea for about six weeks, and from what I saw and learned, I should say that there are good prospects of commercial oil being discovered there. It does not matter how much money the Government may spend in trying to discover and develop oil prospects nowadays there appears to be some influence at work to militate against success. Whether it is purely fortuitous, or whether it may be due to the influence of the Vacuum Oil Company, or some other company, with the object of stifling competition, I do not know; but there is certainly some malign influence at work to prevent this country from investigating and developing its own resources. I hail with pleasure, therefore, the establishment of a company, backed by the British and Commonwealth Governments, and having its expert knowledge and appliances available in our interests. I would like to see the Government control the whole concern, thus making of it a national monopoly. But when we have reached the stage of producing our own oil requirements—as I hope we shall do ere long—we shall be in the position of partners in the refining process; and it will then be open for Parliament to take over the whole activity, if so desired, and to run it entirely in the interests of the people.

I trust that a Select Committee will be appointed to make exhaustive investigation. If refineries are to be erected, the most suitable sites should be chosen—centres where there is abundance of coal and adequate shipping facilities, and which will not be unreasonably far from the sources of oil supply. The refineries should be erected in various localities

rather than that the whole work should be concentrated in one spot. They should not necessarily be established either in Melbourne or in Sydney, if the inquiries of the Select Committee can show that there are more suitable sites in other parts of the Commonwealth.

What is the outcome of the bonus which the Commonwealth pays for the production of crude oil? When the Act came into force, we were hopeful that it would have the effect of relieving the pressure in the matter of Australia's oil requirements. To-day, oil is being produced from shale; but what good is that to the Commonwealth?

Mr. McWILLIAMS.—What will be the position of the shale oil industry under this agreement?

Mr. RILEY.—That is one question which might well be considered by a Select Committee. We are not refining into kerosene the crude oil upon which we pay a bonus to-day; we are not securing any of its by-products. Messrs. John Fell and Company are supplying their crude product to the North Sydney and Sydney Gasworks, and to the Auckland and Christchurch Gasworks. The Commonwealth is paying a bonus to John Fell and Company, but the firm is selling its product to gas companies which could well afford to buy coal for the production of their gas. Meanwhile, despite the bonus, we are neglecting to develop our oil resources.

Mr. McWILLIAMS.—The matter of the oil bonus was very similar to the present position respecting this agreement: we do not know too much about it.

Mr. RILEY.—We know that our bonus is not having the effect of developing the Australian oil industry. Before we enter into an agreement to bind the Commonwealth over for fifteen years, and involve ourselves in the outlay of a large sum of money, there should be the fullest possible inquiry. I welcome the agreement itself, and I welcome the prospect of the erection of refineries. I trust, however, that the Government will not object to the appointment of a Select Committee, so that the agreement may be made most acceptable to the people of Australia.

Mr. ATKINSON (Wilmot) [11.26].—The agreement has been very carefully considered by the Government, and, although I am not prepared to accept it

precisely as it stands, I do not think there is any necessity for the appointment of a Select Committee. Nobody who has carefully read the agreement can say that it contains anything to suggest that the Anglo-Persian Oil Company is endeavouring to trick the Commonwealth Government. I consider that the agreement requires a little tightening up at some points. Rather, more definition and clarity are desirable in certain respects; for example, in the matter of insuring that the company shall draw its supplies, if and when available, from Papua, instead of seeking to carry on refining activities with crude oil imported from other parts of the world. In regard to capital, the agreement itself provides that an increase may be made at any time, and that the Commonwealth authority, no matter what changes may take place, shall still retain the balance of interest in the whole concern. I do not think a Select Committee is required to ascertain exactly what capital the business should begin with. In discussing the measure in Committee, the Prime Minister, no doubt, will be able to present such information upon that head as should satisfy honorable members; and necessary amendments can, of course, be made. It must be remembered, however, that whatever amendments may be decided upon must be submitted to the Anglo-Persian Company, seeing that it is a partner with the Commonwealth. I do not think there is any reason to suggest *mala fides* on the part of the company. I am satisfied that it will try to meet us upon all points.

I am very glad that this is an all-British agreement. It is time that the Empire became, in respect of one or two essentials, a little more self-supporting. In Australia, for instance, our iron resources need to be developed. The Government should do what they can to encourage the founding of an iron industry in Australia. The war has taught us that oil is a basic requirement, and we should do the best we can to obtain a proper oil supply within the Commonwealth. I hope that, before long, Australia will be supplying this company with oil, and that we shall have it refined here. Some people seem to think that the Government have practically handed over to this company the oil business of the Commonwealth. It is suggested that, under this

agreement, we shall be practically in the grip of the company, which will be placed in the position of a monopoly. I cannot prophesy what may be the consequences of the agreement, but there is certainly nothing in it to suggest that it will lead to the establishment of a monopoly. It is open to any other company to come along to the Commonwealth with an oil proposition.

Mr. JAMES PAGE.—Not under this Bill.

Mr. McWILLIAMS.—The best expert in Australia is opposed to the view of the honorable member for Wilmot (Mr. Atkinson).

Mr. ATKINSON.—I care not what experts may say. I have read the agreement, and am placing my own interpretation upon it. There is nothing in it to prevent the Government from helping any other company in Australia that has an oil proposition to submit. If I thought that by ratifying this agreement we should found a monopoly—if I thought we should be putting ourselves in fetters, and handing ourselves over body and soul to a monopoly—I would oppose the scheme.

Mr. JAMES PAGE.—We shall kill the oil industry of Australia.

Mr. ATKINSON.—At the present time we have no Australian industry in oil.

Mr. JAMES PAGE.—We hope to have.

Mr. ATKINSON.—The Bill will stimulate the development of oil production here. I fail to see why we should prevent any one from doing the very best to produce oil and refine it in the Commonwealth. So far as I can see, there is nothing in the agreement that would have that effect. There is in the Bill a clause designed to protect the company from dumping. To that I take no exception. Under it, if the Standard Oil Company, or any other concern, enters into unfair competition with this company, the Government will come to the assistance of the local industry by means of the Customs or other Government agencies that it may need to employ. There is nothing wrong about that. Surely this Parliament will see that the Government protect the people in the matter of the price at which the oil shall be sold.

Mr. CONSIDINE.—Why stop at oil in that respect?

Mr. ATKINSON.—This Bill deals only with oil, and when I address the House I try to confine my remarks to the matter before the Chair. I see no danger in the provisions of the Bill relating to dumping. If this company helps to found the oil industry of Australia, and enables us to supply our own requirements, it will do good service. We must have some source of supply upon which we may rely, especially in time of war. Apart from the requirements of the Navy, the industrial world is daily increasing its demands for fuel and lubricating oils. Without this company we cannot at present supply our own wants. Even now we are in the hands of monopolies. The companies which supply us from abroad can make any arrangement they please between themselves. The honorable member for South Sydney (Mr. Riley) has quoted figures showing that in the United States of America petrol, benzine, and other oils have been very much cheaper than in Australia. The prices here are steadily rising, and there seems to be no limit to the price that kerosene may reach.

This agreement is of special interest to me, and I have scanned it carefully to see that it leaves the way open to other companies in Australia to secure governmental assistance if they can show that they are able to supply oils at cheaper rates. I am not at all satisfied with the way in which the Navy Department has been treating a Tasmanian oil company. There is in my own electorate a deposit of shale which, according to excellent authority, will produce 40 gallons of oil to the ton. The oil has been proved to be very strong and pure, and suitable for naval purposes. In Papua, we have found a very valuable oil, but it is not suitable for naval purposes. We have been importing oil for the Navy, and have been paying for it from £6 to £7 per ton. The latest figures supplied to me by the Navy Department show that it is now landing oil in Melbourne, in its own oil-tank steamer, at £5 0s. 5d. per ton. I dare say that, if these figures were carefully analyzed, it would be found that the cost is considerably more. Doubtless, no allowance is made for interest on the money invested in the oil-tank steamer and for other incidental expenses, which should be included in a

proper business calculation. The company which owns the Tasmanian shale deposits, to which I have referred, has offered the Government a contract for the supply of oil at £4 10s. per ton. The Commonwealth Government did, on one occasion, agree with the State Government of Tasmania to accept 8,000 tons of this oil at £3 15s. per ton, but it has not been able to secure a renewal of that agreement even at £4 10s. per ton. Certain objections have been raised by the Navy Department. The company is prepared to try to meet them, and the Minister for the Navy (Sir Joseph Cook) told the Naval Board, in my presence, to prepare a contract and send it to the company in Tasmania, with the object of endeavouring to come to terms. The Naval Board, however, has done nothing. It continues to play with the company and its offer. The deposit of shale is a very large one, and we should do our best to encourage those who wish to develop it. The company are not asking for money. They say that if the Government would enter into a contract with them for the supply of oil, they would be able at once to raise sufficient capital to develop the industry.

Mr. JAMES PAGE.—When Mr. Jensen was Minister for Trade and Customs, did he not make the Tasmanian company an offer?

Mr. ATKINSON.—While he was Minister, the Tasmanian Government, which would have taken over the concern but for the action of the Upper House in rejecting the proposal, had a contract with the Commonwealth to supply 8,000 tons of oil at a certain price. The company, as I have said, is now asking the Government to enter into another contract. It must have some protection. Is it reasonable that it should be expected to go on the market and ask for more capital when, as soon as it started work, it would be open to the Standard Oil Company, or other foreign corporations, to enter into competition with it? The Standard Oil Company could afford to give oil away here for a year or two in order to defeat the local industry. By slightly increasing its prices in other countries it would not be out of pocket. Even if it were, it would not mind as long as it succeeded in strangling our industry. If we do not come to the assistance

of a local industry such as this, we shall fail in our duty.

Mr. JAMES PAGE.—This Bill will not help the Tasmanian venture.

Mr. ATKINSON.—No; but I see no danger in this Bill as long as the Government will do what they ought to do with regard to the Tasmanian company.

Mr. JAMES PAGE.—The Commonwealth Government is its only customer.

Mr. ATKINSON.—It merely asks the Government to enter into a contract with it for the supply of oil.

Mr. JAMES PAGE.—That is practically what every one wants. No one asks for more.

Mr. ATKINSON.—Not at all. Many companies approach the Government with requests for monetary assistance for their ventures. We have reached a stage in our history when, in order to develop Australian industries, and so to improve our financial position, we must be prepared to take business risks. While it is our duty to see that the public funds are not foolishly expended, we must at the same time display business enterprise, since we need fresh sources of revenue to balance our accounts. Unless we develop the latent resources of Australia, we shall not balance the ledger. We have great possibilities of development—we have tremendous resources as yet untouched—and the war has piled up on us a war debt which, for a population of 5,000,000 to confront, is almost appalling. But, if twenty-five years hence we could show that we had developed Australia's national assets to the extent of £1,000,000,000, our balance-sheet would look very well. The history of industrial expansion in the United States of America shows that such development is by no means impossible. A country is different from an individual. When an individual dies, his assets are distributed in accordance with the terms of his will. A country, however, goes on for all time developing its assets, and so adding to the general wealth of the community. The development of our latent resources is our great hope. Our industries must be expanded if the country is to carry a larger population and meet its heavy financial obligations.

I shall support the Bill, provided that satisfactory amendments are made in Committee. I believe that the Govern-

ment will be prepared to accept any reasonable amendment of the agreement, and I do not think there will be any difficulty in inducing the other parties to the agreement to accept such amendments made by us. I regret that the Minister for the Navy is not now present, because I wish to impress upon him the necessity of giving a little more encouragement to the Tasmanian company of which I have spoken. If it were asking for monetary assistance, I should appreciate some shyness on the part of the Government or the Naval Board. As it is, it merely asks the Commonwealth to enter into a contract with it for the supply of oil. It is said that if such a contract were entered into it would be able, within an hour, to raise in Melbourne the necessary capital for the development of its shale deposits. Even if this agreement be adopted the refinery will not be in operation for about two years. I recollect the management of this Tasmanian shale company saying that if the Commonwealth would give a satisfactory contract the company could raise £150,000 immediately, and could be supplying fuel oil to the Navy within twelve months.

Mr. GIBSON.—Surely the present prices of oil are sufficient inducement to any company to start work at once.

Mr. ATKINSON.—That would be true under ordinary conditions. But if anybody asked the honorable member to take shares in an oil venture in Australia he would immediately ask what protection the venture would have against the competition of the Standard Oil Company and other big trusts. And if he were told that there was no such protection he would withhold his capital. That is the position of this Tasmanian company, and indeed of every Australian oil venture at the present time. Unless the Government give assistance in the manner I have suggested they will not be able to found the oil industry in Australia in the face of the terrible competition of big overseas trusts. The Government would take no monetary risk in giving the contract that is asked for; if the company does not supply oil it will receive no money. If the Government found that by any such contract they were tying their hands in regard to the obtaining of oil

supplies for the Navy they could cancel the contract if at the end of six months it appeared that the company could not fulfil its part of the bargain. The Government have not done their duty to this company; they have not made sufficient effort to foster the oil industry in Australia. I hope that the Government will not regard this agreement as representing all that they need to do to foster our oil industry. The agreement is a very good arrangement so far as it goes. But the Government must keep clearly in mind that other people in Australia have oil propositions, that are quite worthy of the closest investigation by the Commonwealth.

Mr. McWILLIAMS (Franklin) [11.49].—We are dealing with an exceedingly important question. A scientist said recently, "We are now passing through the coal and steel age. The immediate future will be the era of oil and cement." We know what oil means to Australia, because, as has been pointed out by other honorable members, this country has suffered seriously through the operations of a monopoly which, second only to the shipping trust, is the greatest monopoly in existence. I intend to vote to refer this Bill to a Select Committee, because the one thing needed in dealing with this agreement is expert evidence.

Mr. POYNTON.—The honorable member will get his expert evidence from the Standard Oil Company and the Vacuum Oil Company.

Mr. McWILLIAMS.—The expert evidence I require is not as to the oil, but as to the constitution of the Anglo-Persian Oil Company, and the extent to which Australia is being pledged under this agreement. An interjection made by the Prime Minister when the Leader of the Opposition (Mr. Tudor) was speaking, shows the serious necessity for further consideration of this agreement. The Prime Minister said that because under this agreement the Commonwealth will hold a majority of the shares it will therefore have the controlling influence. The agreement itself deprives the Commonwealth of that control for the whole period of its operation, because one paragraph reads—

That of the total number of directors of the Refinery Company (including the managing director, if he has a vote), three-sevenths in

number shall be nominated by and represent the Commonwealth, and four-sevenths shall be nominated by and represent the company.

Therefore, the Prime Minister's interjection placed the position in a misleading light. As four-sevenths of the directors will be nominated by the company, the company will have the predominating influence.

Mr. POYNTON.—The Commonwealth will always retain the right of veto.

Mr. McWILLIAMS.—That has nothing at all to do with the point I am now making. This matter must be considered in the light of the agreement itself. If we agree to give the company predominating control it will be impossible to alter or escape from that agreement. It is absurd for the Minister to interject that we can veto the conditions of our agreement.

What is the position in regard to Papua? We have known for some years that oil deposits exist in Papua, especially in German New Guinea. About eighteen months ago I introduced to the Minister a gentleman who had just returned from New Guinea, and who offered to select an area of land, float a company, and work the oil deposits, paying the Government any fair and reasonable royalty that they might care to impose. That offer was rejected on the ground that the Government intended to retain for themselves the whole of the oil-bearing lands of New Guinea. Then an agreement was entered into between the British and Australian Governments that each should contribute £50,000 towards the cost of prospecting for oil there. The prospecting operations were placed in the hands of the Anglo-Persian Oil Company, but so far the reports to date show that company has not discovered any payable deposits.

Sir JOSEPH COOK.—The company has only just commenced operations.

Mr. J. H. CATTS.—They have been on the job for six months.

Mr. POYNTON.—They have not been on it for two weeks.

Mr. McWILLIAMS.—How much money has the Commonwealth spent under that agreement with the Imperial Government?

Mr. POYNTON.—Not any.

Mr. McWILLIAMS.—The company which has been appointed to prospect for

oil in New Guinea is the company with which the Commonwealth is now proposing to enter into a second agreement. I placed the agreement which is contained in this Bill before a Melbourne man, who has, perhaps, as wide a knowledge of company flotation as has any man in Victoria, and he told me that he is by no means certain that under this arrangement the company will not dominate the whole of the oil production of the Commonwealth; certainly it will dominate the whole of the oil production in New Guinea.

Mr. POYNTON.—We could let any other company start there to-morrow.

Mr. JAMES PAGE.—But it could not bring oil to Australia to be refined.

Mr. McWILLIAMS.—That is the point. If any other company found oil in Papua, it would be precluded by this agreement from bringing the oil to Australia to be refined.

Sir JOSEPH COOK.—Of course it could send the oil to Australia.

Mr. JAMES PAGE.—The dumping clause of the agreement would prevent that.

Sir JOSEPH COOK.—Dumping against ourselves?

Mr. McWILLIAMS.—If there is one article in respect of which we could stand a little dumping at the present time, it is oil. When discussing the Tariff on one occasion, I said that I had never been able to discover that any dumping had taken place in this country; certainly, no evidence of it has ever been adduced. However, having regard to the honest difference of opinion in this House, and between experts to whom I have referred the matter—men who have spent all their lives in the promoting and formation of companies—and bearing in mind the greatness of the issue at stake, we should not pass a Bill of this character until we thoroughly understand it.

Sir JOSEPH COOK.—The statements the honorable member has made are rubbish, no matter who is his authority.

Mr. McWILLIAMS.—There is such a difference of opinion regarding the agreement, that I believe it would have a quicker passage through Parliament if we had a brief reference to a Select Committee, which in a few days could take expert evidence, than it will have without such a reference, and if the House is

called upon to consider the amendments which I hope will be moved to safeguard our interests in several respects.

Mr. CORSER.—What sort of expert evidence does the honorable member desire to get?

Mr. McWILLIAMS.—I desire to have the agreement interpreted by business men. This House has passed several agreements, and our experience in connexion with them has been decidedly unfortunate. Practically all the commercial agreements which were drawn by the Crown Law officers have let the Commonwealth down badly when they have been put to the test. The shipping agreement is a case in point. I am not prepared to take the responsibility of passing a measure which may involve tens of millions of pounds until I know more about it. I am not hostile to the Bill; I welcome it.

Sir JOSEPH COOK.—Why discuss tens of millions of pounds? The Bill involves only half-a-million pounds.

Mr. McWILLIAMS.—The Commonwealth is only to find £500,000 in connexion with this agreement, but how many millions of pounds may be represented by oil discoveries, which will be affected by the agreement?

Sir JOSEPH COOK.—Nothing can be done without the authority of Parliament.

Mr. POYNTON.—Why did not the honorable member move yesterday to refer to a Select Committee the question of increasing honorable members' salaries?

Mr. McWILLIAMS.—When the Bill to increase the salaries of members comes before this House, I shall have something to say on that matter.

Mr. JACKSON.—A reduction of the present £600?

Mr. McWILLIAMS.—I was one of those who opposed the increase from £400 to £600.

Mr. JAMES PAGE.—The honorable member will not "scab" on his mates?

Mr. SPEAKER (Hon. W. Elliot Johnson).—Order! The honorable member for Franklin is not in order in discussing that matter on this question.

Mr. McWILLIAMS.—The interjection made by the Minister for Home and Territories (Mr. Poynton) is quite up to the standard of his intelligence. I shall support the proposal to refer the

Bill to a Select Committee. If a press report is correct an interjection made by the Prime Minister (Mr. Hughes) in reply to the Leader of the Opposition (Mr. Tudor) shows distinctly that the right honorable gentleman does not understand the power given to this company. He said that because the Commonwealth had a predominance in voting power it controlled the directors of the company.

Mr. JAMES PAGE.—No. The Prime Minister said that the Commonwealth had a controlling number of shareholders.

Mr. McWILLIAMS.—What does that mean?

Mr. ATKINSON.—It means a good deal when a question of policy arises.

Mr. McWILLIAMS.—It means nothing when by this agreement we allow the Anglo-Persian Oil Company four directors to our three. The only power the shareholders will have is in electing their own proportion of directors. The Anglo-Persian Oil Company elects its four and we elect three.

Mr. ATKINSON.—That is only for the commercial running of the company.

Mr. McWILLIAMS.—If the commercial aspect is taken out of it there is nothing left in the agreement.

Mr. ATKINSON.—Who could handle the distribution and sales as well as the company could?

Mr. McWILLIAMS.—That is an entirely different aspect of the question. Let us face the matter clearly. It is proposed to hand over to the Anglo-Persian Oil Company the control of the directorate. That is to say, we hand over the whole control of the refinery company—the commercial aspect, the only thing that matters one iota to Australia.

Sir JOSEPH COOK.—What does the honorable member mean by the commercial aspect?

Mr. McWILLIAMS.—What the company will get out of it, and what the Commonwealth will get out of it.

Sir JOSEPH COOK.—Does the honorable member contend that the Commonwealth are handing over that aspect to the company?

Mr. McWILLIAMS.—Yes. We are handing over to the Anglo-Persian Oil Company the sole control of all commercial arrangements, and allowing

them 10 per cent. for doing so. I claim that the Government do not understand the agreement.

Sir JOSEPH COOK.—Does the honorable member contend that the directorate will control the price of oil in Australia?

Mr. McWILLIAMS.—No; but it will control the sale of all oils outside Australia, and if it suits the Anglo-Persian Oil Company it will not seek to discover oil in Papua.

Mr. JAMES PAGE.—That is too far-fetched.

Mr. McWILLIAMS.—If my information is correct, namely, that the control of this refinery company is to be exercised by Lord Inchcape, who has been appointed as representative of the British Government, I would point out that he is already the chairman of the big shipping Combine which is crushing the life out of Australia.

Mr. CORSER.—He will have no interest in this except as a director.

Mr. McWILLIAMS.—Of course, he is only one director of a majority.

Mr. POYNTON.—He is one of the British representatives.

Mr. McWILLIAMS.—I do not care whom he represents, but it makes me cautious when I see that Lord Inchcape, the chairman of the biggest shipping Combine the world has ever seen, which is charging monstrous freights all over the world, is one of the four men who will command this industry.

Mr. ATKINSON.—But he will be bound by the terms of the agreement.

Mr. CORSER.—The oil will not be brought here in his vessels. They belong to the Anglo-Persian Oil Company.

Mr. McWILLIAMS.—My information is that practically the whole of the ships running to Australia to-day, except those owned by the Commonwealth, are more or less under the control of the Inchcape Shipping Combine.

It is the duty of every honorable member to place his views before the House on a question such as this. The honorable member for Wilmot (Mr. Atkinson) has already pointed out that, for nearly three years, the Latrobe Shale Company have been seeking a contract to supply the Naval Board with oil at £4 10s. per ton.

Sir JOSEPH COOK.—They have not done anything of the kind.

Mr. ATKINSON.—Yes, they have.

Mr. McWILLIAMS.—I maintain that the honorable member for Wilmot is correct, and that the price asked was £4 10s. per ton. I have spoken to a gentleman who came over to Melbourne as one of a deputation which the honorable member for Wilmot introduced to the Naval Board when the Minister for the Navy was absent in London.

Sir JOSEPH COOK.—But they have seen me since then, and I have not heard of any such price being asked.

Mr. ATKINSON.—They submitted an offer at £4 10s. per ton.

Sir JOSEPH COOK.—They did not.

Mr. ATKINSON.—I was there when they made the offer. They are still prepared to submit it.

Mr. SPEAKER.—Order!

Mr. McWILLIAMS.—These interjections bear out what I am saying, that the House has not the information it ought to have. Here was a company prepared to enter into a contract with the Naval Board to supply oil at £4 10s. per ton, at a time when the Navy were paying a very much higher price. They asked for no additional financial assistance. If a contract was available they were prepared to start a company, get to work, and provide Australia with oil.

Sir JOSEPH COOK.—The deputation which interviewed me stipulated for a price of £6 15s. per ton, plus some other things.

Mr. ATKINSON.—They did not.

Mr. McWILLIAMS.—I am certain the honorable member for Wilmot is right, and that the offer these gentlemen made was infinitely better than the Minister indicates. If the Naval Board had given the contract, Australia would have been supplied with its own oil long before now. There seems to have been some influence preventing it.

Sir JOSEPH COOK.—What does the honorable member mean by that statement?

Mr. McWILLIAMS.—I do not know what reason prevented the offer being accepted. No reason has been given for refusing this contract. If it had been entered into Australia would have been supplied with oil from its own works.

I would not allow a Select Committee more than three weeks in which to bring in a report. The Select Committee which has been inquiring into the sea carriage

of goods, a much wider subject, has been able to submit a report within four weeks of its appointment. The progress of the measure will be expedited, and be made easier by referring it to a Select Committee. With the guidance of the report of such a Committee, honorable members would be in an infinitely better position to give consideration to the agreement, which I candidly admit I do not understand. When I went across to Tasmania I read it on the boat, and I read it over and over again while I was away. I also referred it to men to whose opinion I defer, but I cannot tell now what will be the position of the company in regard to discoveries of oil made by other persons in Australia. That is a point which ought to be cleared up. For the reasons I have advanced I shall vote to refer the Bill to a Select Committee, and I would limit the time the Committee would have for bringing up its report to three weeks. If we adopt this method of dealing with the Bill we shall make better progress than if honorable members are compelled to go outside to seek for information, and if we are obliged to examine the agreement clause by clause, as we shall be compelled to do, if the Government do not agree to the appointment of a Select Committee.

Mr JAMES PAGE (Maranoa) [12.12].—The greater portion of my constituents are large consumers of kerosene and petrol. The Prime Minister (Mr. Hughes) was right in saying that we have reached a new era by reason of the extended use of oil and petrol. I want to be sure that the people of Australia get, not cheap oil, but oil at a fair price, while the people who control the commodity also get a fair profit. Many years ago we were anxious to establish the oil industry in Australia. I can speak feelingly on the point, because the prospects of doing so looked so fair at one time that I thought I would die a millionaire. The honorable member for Capricornia (Mr. Higgs) persuaded me, in a frail moment of mine, to purchase shares in a company formed for the purpose of boring for oil at Roma, in Queensland, and everything in the garden was lovely. At one time, when the Tariff was under consideration, a director of the Standard Oil Company, who was watching our proceedings on behalf of his corporation, raised my hopes very much indeed by telling me that if I

had only one-tenth of one share in the company at Roma, and its bore proved a success, which he doubted very much, I would die a very rich man indeed. However, our hopes were not consummated. After spending a lot of money the company had to go into liquidation, and for my shares in it I was paid 12s.

Mr. McWILLIAMS.—You were lucky to get that!

Mr. JAMES PAGE.—I was, but I cannot say I regret spending the money, though I do not think we, as a company, got a square deal. By some unforeseen circumstances, at a time when the hopes of everybody concerned were raised very high, the gas took fire, and the heat was so great as to melt some of the casings. After several weeks of blazing, the fire was put out with a bonnet, and we resumed boring, only to meet with a serious accident when we had gone down a little further. The whole of the tools were left in the ground, and, after spending the balance of our money in trying to get them out, the company went "bung." The Queensland Government—that is, the Denham Government—came to our assistance, and, satisfied that oil was there, they took the enterprise over and made it a State monopoly. The Government proceeded with the sinking, and are sinking yet, but have had the same ill-success that we experienced. Drillers had to be brought from America; and it is most peculiar that trouble started when they got down to where the gas was to be tapped, at 3,500 feet. I may say that 3,500 feet is not the deepest bore in Queensland, for there are water-bores much deeper, sunk by private enterprise.

I am satisfied that there are many districts in Queensland, where there is seepage, and where oil will be found in the near future. My anxiety is for the people of Queensland and for the people of Australia. We are told that this agreement will not interfere with the oil or shale deposits of Australia. I am not an expert, and I do not profess to be one, but I have common sense, and when I see a sheep I know that it grows wool on its back. There are some deposits of kerosene oil in the Moreton electorate, quite near to Brisbane; there must be oil there, for it is coming out of the ground, and practically asking us to dig for it. I have in my hand a telegram from a shale oil

company which is doing business in Queensland, the company, I believe, receiving the bonus for the production of oil. This telegram was sent to the honorable member for Macquarie (Mr. Nicholls), but as that gentleman is unavoidably absent, I intend to make use of it for the benefit of honorable members, who may take it for what it is worth. The telegram sounds a note of suspicion, and that is why I am anxious for a Select Committee. We have been told that the only expert evidence obtainable is from the Standard Oil Company or the Vacuum Oil Company, but if that be so, the evidence will be very tainted indeed.

Mr. MATHEWS.—Why should we not have that evidence?

Mr. JAMES PAGE.—One reason for my suspicion is that these companies are the biggest monopoly in the world, and if it was thought we were going to create a competitor, we would not get the information we desire—it would be “giving the show away.”

Mr. J. H. CATTS.—According to the speech of the Prime Minister (Mr. Hughes), this Anglo-Persian Company may “be in” with those two companies.

Mr. JAMES PAGE.—I did not so interpret the speech of the Prime Minister.

Sir JOSEPH COOK.—This Anglo-Persian Company was formed to fight the others.

Mr. JAMES PAGE.—I do not care whether the Anglo-Persian Company is part and parcel of the great monopoly, because, sooner or later, we shall have to fight all monopolies, and we ought to be very careful if there is danger of our creating another. The appointment of a Select Committee could surely do no harm, if it did no good. The telegram to which I refer is from Messrs. John Fell and Company, of Sydney. If men are engaged in an industry, and have expended all their money and energy in developing it, they naturally become anxious when a great company like this is given a practical monopoly, although we are told by the Minister for the Navy (Sir Joseph Cook) that it is not a monopoly. It is a fact, however, that they are the only people in Australia who would have a refinery, for no one else is to be allowed to erect one. If crude

oil is discovered on any of the Pacific Islands or in Papua outside the ramifications of this company, the oil will have to be sent elsewhere to be refined. However, the telegram is as follows:—

Regarding Anglo-Persian oil agreement, we regard it as imperative for the protection of the shale-oil resources of this country that the Bill under discussion should be held up pending a complete investigation. The measure, if passed, will automatically close the shale-oil industry of the Commonwealth. Shale is our natural source of oil supply, and if closed we will be dependent on overseas sources. To protect these sources, a Navy and fortifications will have to be maintained for all time. Papua is especially vulnerable. Part of this money could be spent to better advantage in protecting and developing our natural resources with white labour. In the event of war with Japan or the United States of America, these overseas routes cannot be protected, and the whole source of overseas oil supplies for the Commonwealth would be cut off and complete isolation result. It would be criminal to leave the shale-oil industry unprotected, and to place this country in such a position, besides allowing foreign imports to strangle our natural resources. The Scotch shale industry was of vital importance to Great Britain during the late war. Great Britain and United States of America, recognising the necessity of developing their shale resources, are at present giving the question the gravest consideration. Mr. Fell is proceeding to Melbourne, and will interview you. Our information should be of value.

Regarding shale oil, under reasonable circumstances present output can be enormously increased.

This company is in operation in a big way in New South Wales, but it is not the first company that has worked these deposits, for enormous sums of money have been lost in efforts to develop this industry. This firm, which is specially interested, asks for delay in order that there may be further investigation. This is not an industry in its infancy, but one that has been tried. The latter part of the telegram tells us that the present output of shale oil could be enormously increased, and surely that is a matter into which a Select Committee could inquire. If this Parliament will not protect Australian industries, where are the industries to find protection?

The scheme proposed looks very nice on paper—a scheme to bring crude oil from the Persian Gulf to Fremantle. The gentlemen interested have been busy for some considerable time in the matter. In the *West Australian* of 3rd October, 1919,

the first announcement of the Anglo-Persian Company appeared, as follows:—

The Anglo-Persian Oil Company Limited's Act 1919: Power to the Anglo-Persian Oil Company Limited, to erect reservoirs for the storage of oil and supply of same; compulsory use of roads, &c.; power to lay down pipes, &c., in streets, under railways, and in Government lands, and along wharfs, and exercise other powers.

Notice is hereby given that application is intended to be made to Parliament in the present session for leave to bring in a Bill for effecting all or some of the purposes following, that is to say:—

1. To empower the Anglo-Persian Oil Company Limited (hereinafter called "the company") upon all or any lands and premises now or hereafter to be acquired by it, or any part thereof respectively, to construct, erect, and maintain a reservoir or reservoirs for the storage of oil with all necessary engines, plant, machinery, works, buildings, appliances, apparatus, and conveniences for storing and distributing oil within the area comprised in—

(a) The district of the Fremantle Municipal Council;

(b) The lands vested in the Fremantle Harbor Trust Commissioners; and

(c) Such of the lands vested in the Honorable the Minister for Railways on behalf of His Majesty as are comprised in, abut on, adjoin, or are contiguous to the district. and lands beforementioned, or any of them, or any part or parts thereof respectively.

2. To empower the company to open, break up and interfere with streets, roads, public places, ways, footpaths, railways, tramways, rivers, bridges, culverts, sewers, drains, pipes, telegraphic and telephonic tubes, wires, and apparatus, and to lay down, set up, maintain, renew, or remove either above or underground pipes, tubes, troughs, inspection chambers and boxes, and other works, matters, and things for conveying oil, water, and materials to or from its reservoirs, situated on Fremantle town lots Nos. 1186 to 1192, 1197 to 1199, 1200, 1207, 1208, 1213 to 1216, and 1224 to 1227 (all inclusive), or on some parts thereof respectively from or to the Victoria Wharf, or other wharfs of the Fremantle Harbor Trust Commissioners, in, under, and along such wharfs, lands; streets, roads, public places, ways, footpaths, railways, tramways, &c., as aforesaid, situate within the area beforementioned as may be defined on the plans and sections to be deposited as hereinafter mentioned, or as may be provided by the Bill.

3. To empower the company to acquire compulsorily, or by agreement, easements in respect of the lands adjoining or contiguous to the property to be acquired by the company.

4. To vary or extinguish all or any rights and privileges inconsistent with, or which would or might interfere with the objects of the intended Bill, and to confer other rights and privileges.

And notice is hereby further given that on or before the 11th day of October, 1919, duplicate plans and sections showing the lines, situa-

tions and levels of the intended works, with a book of reference of such plans, and a copy of this notice, as published in the *Government Gazette*, will be deposited for public inspection with the Clerk of the Legislative Assembly; and that on or before the 18th day of October, 1919, a copy of so much of the said plans, sections, and book of reference as relates to the area comprised in the district of the Fremantle Municipal Council, in which any of the intended works will be made, together with a copy of this notice as published in the *Government Gazette*, will be deposited with the Clerk of the said Fremantle Municipal Council.

Copies of the intended Bill will be deposited in the office of the Clerk of the Legislative Assembly, on or before the 11th day of November, 1919.

Dated this 2nd day of October, 1919.

Mr. BURCHELL.—What do you think is the meaning of all that?

Mr. JAMES PAGE.—I take it that the company is to exercise greater rights in putting up this reservoir than the Western Australian Government itself could exercise. The Commonwealth Government could not do what these people are asking the Western Australian Government to permit them to do, and what the State Government is prepared to grant.

Mr. BURCHELL.—The company cannot exercise those rights unless the Western Australian Government give them the power. What is all the argument about?

Mr. JAMES PAGE.—The Anglo-Persian Company "owns the earth" so far as Persia is concerned, and it wants to "own the earth" in Western Australia, which is part and parcel of the Commonwealth.

Mr. BURCHELL.—Does the honorable member know what all this is designed for? It is to enable the port of Fremantle to be equipped for giving oil supplies to any oil-driven vessels.

Mr. JAMES PAGE.—Is that all? I am very much obliged for the information; but why should not the matter have been put in plain English, simply saying that what is required is provision so that ships may take oil back after bringing it over here?

Mr. BURCHELL.—That is twisting.

Mr. JAMES PAGE.—Not at all. The clauses setting forth the desired powers seem to annoy honorable members opposite.

Mr. BOWDEN.—Those are the ordinary clauses.

Mr. JAMES PAGE.—Under these clauses the Anglo-Persian Oil Company

could acquire compulsorily the property of the Standard Oil Company. I am told that it would not do that. But the agreement empowers the company to do it. I do not wish any monopoly to have a footing in this country, unless it be a Government monopoly, and I am not an advocate for the Standard Oil Company, the Vacuum Oil Company, or any other. But when I have approached the Shell Oil Company, that is the British Imperial Company, in the interests of my constituents, they have done what they could. Only a fortnight ago I went to the Government for help, and was told that they were powerless to assist me, having no oil in reserve. I then, in fear and trembling, approached this great British Imperial Oil Company, but I came away in a very different state of mind. They promised to do all that they could to assist the men out in the back parts of Queensland to get petrol to drive their pumps and engines and do other industrial work. They depleted their reserves in Brisbane and hurried down a boat from Singapore, to do this.

Mr. TUDOR.—They kept their supplies for industrial use, and stopped joy-riding.

Mr. JAMES PAGE.—Yes. I did not make application for assistance to any particular town or place; I asked for help for the pastoral, agricultural, and viticultural interests of Queensland, which needed oil for industrial purposes.

Mr. CORSER.—Oil was not made available in my district.

Mr. JAMES PAGE.—Perhaps the honorable member did not go the right way to get it. If you want anything, you must hustle and bustle.

Mr. POYNTON.—Is the honorable member speaking of something that occurred before the Bill was introduced?

Mr. JAMES PAGE.—Yes. I went to the company on two other occasions when there was a shortage of petrol out west, and each time the company did its best for me. I would remind honorable members that the House of Commons passed a resolution of thanks to the British Imperial Oil Company for what it did during the war. It supplied 80 per cent. of the products that make up T.N.T., as is stated in a booklet issued by the company, on the cover of which is printed "The Shell that hit Germany the hardest." I advise honorable members to read that publication to see what

the company has done for the Empire. I know of nothing that it has done detrimental to the interests of Australia.

Mr. FLEMING.—You will admit that the price of petrol in Australia is tremendously high.

Mr. JAMES PAGE.—The only countries in which it is lower are those in which oil is produced. Petrol costs more in South Africa and in some of the States of South America than it costs in Australia.

Mr. POYNTON.—But not more than it costs in Great Britain, where it is not produced.

Mr. CORSER.—Is the honorable member supporting a monopoly?

Mr. JAMES PAGE.—That is an amusing interjection to come from a member representing the sugar districts of Queensland, who is the greatest advocate of Australia's greatest monopoly, the Colonial Sugar Refining Company.

Mr. CORSER.—Would not the honorable member rather support an Australian monopoly than an American one?

Mr. JAMES PAGE.—I do not support any monopoly. Let those flag-wagging patriots, of which the honorable member is one, listen to this:—

During the critical year of 1915, "Shell's" Portishead Distillery produced approximately 80 per cent. of Britain's total output of toluol, the basic ingredient of the high explosive T.N.T. (tri-nitro-toluol), so extensively used for shells, bombs, and mines.

Addressing the Institute of Petroleum Technologists, at their annual dinner some months after the armistice, Sir Frederick W. Black, K.C.B., referred to the "Shell" group as having given us that valuable product toluol, from Borneo petroleum, without which we could not have defeated the enemy.

Under the agreement companies other than the Anglo-Persian Oil Company will be prevented from trading in Australia. The agreement says—

That the Refinery company shall not enter into or be in any way concerned in or a party to or act in concert with any commercial Trust or Combine, but shall always be and remain an independent British business.

The firm of Walkers Limited, in Queensland, can make any machinery that it may be asked for. Nearly all the intricate machinery used in the sugar mills of Northern Queensland was made in its works, and against open competition the firm has gained a contract for supplying the South Australian and Commonwealth Governments with locomotives, which are some of the finest to be seen anywhere.

Why should we not require the Anglo-Australian Persian Oil Company to use Australian machinery? But the agreement says:—

That other things being equal, the Refinery Company shall give preference to goods manufactured in the Commonwealth when purchasing machinery, plant, and supplies.

I think that the Refinery Company should, under all circumstances, give preference to goods manufactured in Australia. Then, again, it is stipulated that the Anglo-Persian Oil Company shall have full commercial and technical control. Where does the Commonwealth come in under that arrangement?

Mr. CORSER.—It is a partner with the company.

Mr. JAMES PAGE.—I would not like to enter into such a partnership. The clause respecting freights should be explained. "Current rates" are to be charged. The other night the honorable member for Flinders (Mr. Bruce) gave us a dissertation on the Bill which was one of the finest I have heard in this chamber. He convinced me that there are certain matters in the agreement which should be rectified. For instance, no one can say what are the current rates of freight between Australia and this port in the Persian Gulf from which crude oil is to be brought, because there are no vessels trading regularly between the two places, and no back loading.

Mr. CORSER.—"Current rates" means the rates at which shipping could be got.

Mr. JAMES PAGE.—But there would be no competition.

Mr. CORSER.—American vessels would be ready to compete.

Mr. JAMES PAGE.—It is the transport of crude oil that I am speaking about, and I remind the honorable member that the Anglo-Persian Oil Company have their own boats for this purpose.

Mr. BELL.—Under the agreement we could employ the vessels of other companies if they offered cheaper freights.

Mr. JAMES PAGE.—I have my doubts about that, and I should very much like to have a clear definition of what is meant by "current rates." On the question of dumping I may say that personally I should like to see the dumping of oil and petrol in Australia start to-morrow, because it would benefit our people if they were able to secure cheaper petrol and kerosene, since the prices which have to

be paid at present in Australia for both these commodities are exorbitant.

Mr. CORSER.—Dumping would wipe out any local industry, and we should then have to pay the piper.

Mr. JAMES PAGE.—What would be the difference between dumping by other companies and by the Anglo-Persian Company? The honorable member for Wide Bay (Mr. Corser) is a red-hot patriot. He is willing that the Anglo-Persian Company should be given a monopoly in the supply of petrol and kerosene required in Australia. He does not mind dumping by that company at the expense of those engaged in the production of oil in the Commonwealth. He has nothing to say about, possibly, thousands of men engaged in the industry in New South Wales being put out of employment. The telegram I have read shows clearly what might happen in the matter of dumping by the Anglo-Persian Oil Company, but all the honorable member is concerned about is to prevent the introduction into Australia from overseas of cheap oil and petrol supplied by other companies.

I ask honorable members to say whether they consider that under paragraph *c* of clause 14 of the agreement a fair proposal is submitted? It provides that—

In order to insure the full success and development of the oil refining industry in Australia, the Commonwealth will, so long as the prices charged by the Refinery Company for products of refining are considered by the Commonwealth fair and reasonable—

(c) Cause to be introduced into the Parliament of the Commonwealth, and supported as a Government measure, a Bill providing for the imposition of Customs duties on crude mineral oil whenever, in its opinion, such action is necessary or advisable to prevent unfair competition with the products of crude oil refined in Australia by the Refinery Company.

Mr. ATKINSON.—This Parliament will have a say in that matter.

Mr. JAMES PAGE.—They will have little say in Tasmania, and the honorable member in supporting this proposal will be cutting his own State's throat.

Sir JOSEPH COOK.—He will be doing nothing of the kind.

Mr. CORSER.—The dumping the honorable member would like to see would cut the Tasmanian industry out.

Mr. JAMES PAGE.—The honorable member for Wide Bay (Mr. Corser) has dumping on the brain. The people about whom the honorable member for Wilmot (Mr. Atkinson) is concerned have been nibbling at this bait for years. Dumping would not do them much harm, and has not done them any harm so far.

Mr. ATKINSON.—Yes, it has.

Mr. JAMES PAGE.—The honorable member is afraid that if the agreement is not ratified the Standard Oil Company and the Vacuum Oil Company are going to kill the one little ewe lamb of the oil industry in Tasmania. The competition of the Tasmanian company would be to the companies to which I have referred like a fly kicking a horse.

Mr. ATKINSON.—The management of the Tasmanian concern evidently think differently from the honorable member.

Mr. JAMES PAGE.—The honorable member's hopes for the Tasmanian industry are very high.

Mr. ATKINSON.—They complain of the influence already exerted against them.

Mr. JAMES PAGE.—Of course, because they must give some reason for not going on with their proposal. The Standard Oil Company would think nothing of the Tasmanian concern. I suppose we could buy up the whole lot for about ten "quid."

Mr. BOWDEN.—If the honorable member will read clause 14 of the agreement again he will see that the legislation referred to is to be passed only if in the opinion of the Commonwealth Parliament it is necessary. If there is dumping we should have the power to deal with it.

Mr. JAMES PAGE.—I remind the honorable member that the clause referred to provides that the Bill is to be introduced as a Government measure no matter what Government may be in power at the time any demand is made to give effect to clause 14 of the agreement. My honorable friends opposite are not going to stop where they are for ever and ever. They will have to get out, and that perhaps much sooner than they expect. Directly we on this side replace them we shall be confronted with the Anglo-Persian Oil Company demanding that we shall give them a monopoly of the supply of oil in Australia.

Mr. BELL.—Only if the Government at the time think that would be a proper thing to do.

Mr. JAMES PAGE.—I do not think that it would be fair. The clause provides that in the circumstances stated the Commonwealth shall—

cause to be introduced into the Parliament of the Commonwealth, and supported as a Government measure, a Bill providing for the imposition of Customs duties on crude mineral oil whenever, in its opinion, such action is necessary—

Mr. SPEAKER.—Order! A discussion of the clauses of the agreement in detail is not in order.

Mr. JAMES PAGE.—I required to refer to the clause to complete my argument. All that I am concerned about is that people engaged in promoting the production of oil in Australia, no matter in what State, shall be protected, and that the consumers shall obtain the oil and petrol they require at a fair price, giving a fair profit to the vendors. It is said that competition is the life of trade.

Mr. CORSER.—It would be impossible to establish any new industry in Australia on that principle.

Mr. JAMES PAGE.—By way of answer to the honorable member, I would ask him: How did the great business of Walkers Limited get a start in Maryborough, Queensland?

Mr. CORSER.—It had Protection through the Customs.

Mr. JAMES PAGE.—Until Federation was accomplished—

Mr. CORSER.—Walkers Limited had Protection before that.

Mr. JAMES PAGE.—The business of Walkers Limited was, before Federation, a comparatively poor and dwindling one.

Mr. CORSER.—No; all the machinery for the Gympie mines was supplied by Walkers Limited.

Mr. JAMES PAGE.—I am aware that the bulk of the mining and sugar machinery used in Queensland was made in the Maryborough factory of Walkers Limited, and I know also that their locally-manufactured article is, in Northern Queensland, to-day standing the test of use very much better than similar machinery imported from abroad.

I ask honorable members to amend the Bill in such a way as to provide that it shall be imperative that all machinery required for the proposed refinery shall be made in Australia. In a letter which I received from the manager of Walkers

Limited, he says that Australian workmen can do anything that any other workmen in the world can do, and they can do it as well, if not better.

Mr. BELL.—And as cheaply?

Mr. JAMES PAGE.—Yes, and as cheaply.

Mr. FENTON.—Even if it were a little dearer we should not mind.

Mr. JAMES PAGE.—That is so. Even if we required to pay a little more, it would be better for us to employ our own people.

Mr. CORSER.—We shall have Australian monopolies yet.

Mr. JAMES PAGE.—I would give a monopoly to any Australian company as against the outside world, particularly a company developing the iron industry. I have for many years had a great admiration for Walkers Limited, of Maryborough, and I would advise honorable members who may pay a visit to Queensland to look through the workshops of that company.

Mr. ATKINSON.—If the honorable member were to visit Tasmania, he would also have a great admiration for that country.

Mr. JAMES PAGE.—It might be better for the honorable member to prevent me from going to Tasmania. It would be possible to lose the whole State of Tasmania in Bowen Downs station, in central Queensland, which is only one station in the electorate I represent. I agree that the shale deposits of Tasmania should be protected, even though they are small.

Mr. ATKINSON.—They are not small.

Mr. JAMES PAGE.—I do not think that the Government have anything to fear from the appointment of the proposed Select Committee. Its inquiry would satisfy the mind of many people that the proposal is fair and above-board. There are some ugly rumours afloat regarding this company.

Mr. JACKSON.—There are some ugly rumours about the Standard Oil Company.

Mr. JAMES PAGE.—Some ugly statements are made about the gentleman who represents the Imperial Government on the Anglo-Persian Oil Company. We know that he is fighting our Commonwealth ships to-day. I do not blame the Imperial Government for putting Lord

Inchcape on the directorate of the Anglo-Persian Oil Company, because I regard him as one of the keenest and smartest business men in the world. If the Imperial Government desired that their interests should be protected, they would be fools not to put him on the directorate of the company if they could secure his services. When the honorable member for Bass (Mr. Jackson) reminds me that there are ugly rumours about the Standard Oil Company, I reply that there are some very ugly rumours about the Shipping Combine, in which Lord Inchcape is interested, and that its action is possibly more detrimental to Tasmania than to any other State of the Commonwealth.

My one desire is that oil should be discovered in Australia, which would make us independent of any foreign country or company. I am anxious that the consumer should be able to obtain a cheap and reliable article, and the vendor get a fair profit from its sale. I hope that the Government, even at the eleventh hour, will consent to the appointment of the Select Committee. It would give satisfaction to many honorable members who are not unfavorable to the agreement, and it would certainly give satisfaction to the people outside.

Sir JOSEPH COOK.—I wish to make a personal explanation. There were some contradictions uttered across the chamber a little while ago, when the honorable member for Franklin was speaking.

Mr. TUDOR.—I rise to a point of order. Is it possible for an honorable member to make a personal explanation when he has not made a speech on the question before the Chair? As interjections are disorderly, is it possible for an honorable member to make a personal explanation in reply to an interjection?

Mr. SPEAKER.—I did not understand that the Minister for the Navy desired to make a personal explanation in reply to an interjection, but with regard to a certain statement made in a speech by the honorable member for Franklin, in which the honorable member who desires to make a personal explanation was misrepresented. In that case he is certainly in order. He would, in any case, have the right to speak on the motion.

Sir JOSEPH COOK.—I shall not occupy more than two minutes. I am not in the

habit of bandying irresponsible statements about the chamber in the way that the honorable member for Franklin (Mr. McWilliams) accused me of doing just now. For that reason, I wish to tell the House the facts about the proposal from Tasmania with regard to the supply of shale oil. The price is as stated by the honorable member for Franklin, but he told the House only half the facts. The offer of the company is to supply oil for 90s. per ton, plus the bounty of 45s. per ton, which brings the price up to the figure stated by me, namely, 135s. per ton. The payment of the oil bounty will run out at about the same time as the proposed contract was to begin. The proposal of the Tasmanian company, therefore, means that we should enter into a fresh undertaking to offer a bounty of 45s. per ton for ten years for the production of oil to supplement the price of 90s. per ton at which they are prepared to supply oil. It was specifically provided that, failing the renewal of the bounty, the price was to be 135s. for ten years.

Mr. McWILLIAMS.—Let the Minister state all the facts. Is that not an extension of the existing bounty that is asked for.

Sir JOSEPH COOK.—I am saying that it is.

Mr. McWILLIAMS.—Then the Tasmanian people are not asking for anything that the Commonwealth is not giving now.

Sir JOSEPH COOK.—I have said so. I have said that the oil bounty will cease to be payable at about the time when operations under the contract provided for in the Bill are supposed to begin, and the Tasmanian proposal is, therefore, that the oil bounty shall be renewed for ten years. This would bring the total price of the Tasmanian oil up to the figure I stated—135s. per ton.

Mr. McWILLIAMS.—We are paying 195s. now.

Sir JOSEPH COOK.—We are paying now on oils we secure for ourselves £5 0s. 5d. per ton.

Mr. TUDOR.—The Prime Minister (Mr. Hughes) spoke of a price of 190s. per ton.

Sir JOSEPH COOK.—I hope the honorable member will listen to what I have to say. Both statements are correct. For oil we are compelled to obtain outside our

contracts, we are paying £9 10s. per ton. I hope that is clear enough. I shall have something to say about these things a little later on. I am concerned now only as to the correctness of statements made regarding the offer from Tasmania. It can do the Tasmanian people no good to have the facts incorrectly stated. I wish to guard myself against any statement I make in connexion with these matters being construed as unfriendly to the Tasmanian project. I have shown my friendliness to Tasmania during a period of nineteen years in this House. I think that the Tasmanian project is worth looking into on its merits, but it cannot assist its consideration to state only half the facts. I repeat that the fact is that the price proposed by the company is 135s. per ton for oil supplied into tanks, which the Commonwealth Government are asked to erect on the coast of Tasmania, for the purpose of receiving the oil.

Sitting suspended from 1.5 to 2.15 p.m.

Mr. ATKINSON.—I desire to make a personal explanation. I interjected in answer to the Minister for the Navy (Sir Joseph Cook)—

Mr. SPEAKER (Hon. W. Elliot Johnson).—Order! I cannot allow the honorable member to make a personal explanation with respect to an interjection which, in itself, was disorderly, and in view of the fact that the explanation in reference to the original matter itself was not in order, either—

Mr. ATKINSON.—I just wish to explain my remark to the Minister.

Mr. SPEAKER.—Order! The honorable member should be familiar with the fact that he cannot make a personal explanation except in relation to some matter in which he has been, or has deemed himself to have been, misrepresented in the course of debate in this Chamber, or to clarify some statement not previously made clear in the course of his speech.

Mr. KERBY.—I desire also to make a personal explanation. According to this morning's press, referring to a question which I asked yesterday, it would appear that expressions were employed in this Chamber to the effect that I was guilty of dirty electioneering tactics. I desire to say that I was not out electioneering, but that if that had been my purpose I

could have availed myself of the opportunity yesterday afternoon.

Mr. SPEAKER. — Order! I am afraid the honorable member also is not in order.

Mr. KERBY. — It is a matter of urgency, and—

Mr. SPEAKER. — Order! The honorable member is not in order in interrupting the Speaker. I point out that he is seeking to make a personal explanation in circumstances which the Standing Orders do not permit.

Mr. KERBY. — Yes, sir; but these interjections—

Mr. SPEAKER. — The honorable member has frequently heard me complain that interjections are disorderly, and that they should neither be made nor taken notice of. I repeat, for his benefit, that a personal explanation can only relate to a matter in which an honorable member has been misrepresented in the course of debate in this House. I suggest to the honorable member that he will be in order, at the adjournment stage, in referring to the subject which he has in mind. He will then be able to deal with the matter in a regular way.

Mr. CORSER (Wide Bay) [2.18]. — This is one of the most important measures calling for the attention of Parliament to-day. It affects not only the present industries of the Commonwealth, but those which, we hope, will be established after the Tariff has been considered. It vitally affects also the welfare of our Navy. It is important for the manufacturing interests of Australia—in being, and to be—that we should be in a position to supply industries with necessary motive power adequately, and with certainty. Some honorable members have stressed the necessity for appointing a Select Committee. I could quite appreciate that if the Committee could call upon expert evidence; but we have not expert experience and information at our disposal in Australia. It is all very well to say that the Committee could examine commercial men representing oil concerns; but it is not usual for business men to go to their mercantile opponents to secure technical information. Surely we have in the Ministry and their advisers men who are as good as those whom we could call upon from

private commercial sources. Time is the essence of this contract; we have no time to lose. I congratulate the Government upon having entered into the agreement. It should be remembered that it will be two years before the refinery can be completed. Meanwhile, there are prospects of large crude oil supplies being struck in Australian Territories. What will be the value of crude oil discoveries if there is no refinery available to deal with the product? I know of two companies, working to-day in Queensland, which are very hopeful of getting oil within a brief period. One man interested has told me that he feels sure he will be able to get oil within the next three months. It is believed that in Queensland alone there is no less an area than 20,000 square miles of oil country. The best encouragement we can give these prospectors is, first to offer to reward them for making a discovery in payable quantities; and, secondly, to re-assure them that, when oil has been discovered, there will be a ready purchaser who will refine it. The buyer to whom they should look to receive the highest value from their supplies should be the Commonwealth refinery. I do not consider the Anglo-Persian Oil Company in any degree a foreign concern. Seeing that more than half of its shares are held by the Imperial Government, and that the Commonwealth will hold half of the interests in the refinery to be erected here, it means that practically three-fourths of the total interests will be in the hands of the British and Commonwealth authorities. We should give the Imperial Government credit for being shrewd. When they entered into an agreement with the Anglo-Persian Oil Company, they knew what they were about. When they appointed to the directorate as their representative a man of such knowledge and experience as Lord Inchcape, who was not a shareholder, they knew what they were doing. Their purpose was to secure the benefit of his world-wide acquaintance with business management. If the British authorities considered it safe that they should be represented by only two out of fourteen members of the directorate, they must have recognised that their nominees were men of specially

wide experience, and that the remainder, who were experts, would not be hostile to Imperial interests. If we in Australia take the precaution of appointing three out of the seven directors as Government representatives, it should be sufficient to insure that those three shall be men of considerable mercantile experience, and that the four remaining directors shall be oil experts. The fact that Lord Inchcape is largely associated with a shipping combine has no bearing in this instance, and it is absurd to raise the point. The Anglo-Persian Oil Company has tank steamers of its own—sufficient, I understand, to make the concern independent of any outside shipping combine. Lord Inchcape cannot hope or expect to control or wield influence along those lines. So far as Australia is concerned, it is obviously advantageous that we should be associated with a company which has its own shipping available to bring to us requisite supplies of crude oil for refining here, until we have our own. We will not be dependent upon other shipping sources.

The Prime Minister (Mr. Hughes) has informed me personally that ample protection will be afforded to producers of oil in Australia, in the matter of their securing fair value for the Australian product. He has told me, further, that they will be given preference. I trust the Prime Minister will take the opportunity, when this measure is being dealt with in Committee, to place those safeguards in the Bill itself. We have a continent which is larger than the United States of America, and I look forward to the day when discoveries of valuable oil deposits will have been made somewhere in Australia. We should see that, having a national refinery, the discoverers are given not merely a fair, but a preferential opportunity of having their crude oil refined and placed upon the market. It is essential that the Commonwealth should be fully protected against the possibility of dumping. In my experience as an importer I have seen a good deal of that evil. And there is always the danger that, as soon as one has established an industry, the large foreign interests already operating may so reduce the price of their commodities as to crush the local infant

rival. What consideration would the loss from a temporary reduction in the price of oil supplies to the Commonwealth be to the foreign oil companies which carry such huge interests at the present time? The honorable member for Maranoa (Mr. Page) said there was no fear of dumping in Australia, but I remind him that prior to the war there was a considerable amount of dumping on the part of German houses, shipping freights, Germany to Australia, being offered at 12s. 6d. per ton, as compared with our coastal rate of 35s. In candles, for instance, dumping was particularly noticeable. British firms at that time supplying mining companies' requirements were under agreement between themselves not to sell at below a certain price in London, but some of them shipped enormous quantities to Australia on consignment, and drew upon their agents for 90 per cent. of value, and there was an understanding, I believe, that the agents were not expected to pay any more. As a result, British firms were able to compete very effectively with Australian manufacturers who were then becoming established.

I think I was instrumental in inducing the Government to offer the reward of £10,000 for the discovery of payable oil in Australia, but I believe now that that amount is not sufficient. I hope the Government will see their way clear to increase it. What would £100,000 mean to the Commonwealth if, as a return for this reward, payable oil in large quantities was found in some part of the Commonwealth? In Queensland the practice of the State Government, who have an oil monopoly, is to issue a licence for prospecting over an area of 2,000 acres, and to grant a lease for 60 acres only, but the prospector will get 2½ per cent. on all oil taken out of the balance of the area of 2,000 acres. This inducement is not sufficient to encourage prospecting.

If the agreement with the British Government is considered a fair and workable one, surely after investigation it ought to be good enough for us to establish a refinery in conjunction with the Anglo-Persian Oil Company. If we do not take advantage of this opportunity, where are we likely to get experts and the machinery to carry out the work ourselves, and what would become of our

crude oil? I have not heard any honorable member suggest an alternative.

Mr. JOWETT.—If the agreement is adopted, will any other firm be unable to erect refineries in Australia?

Mr. CORSER.—No; there is nothing to prevent them.

Mr. TUDOR.—Yes; Customs provision 14b will prevent them.

Mr. CORSER.—That provision is necessary to prevent any Combine dumping oil in this country in order to destroy an Australian industry.

Sir JOSEPH COOK.—Dumping at unfair prices.

Mr. CORSER.—Of course. If any outside firms compete on fair terms, nobody should object, and the Government will not object. There is a general belief that payable oil exists in Western and South Australia and Queensland, and there is every reason, therefore, why refineries should be established without undue delay, so that we may be able to deal with oil when found. I should like to emphasize the fact that the Anglo-Persian Oil Company controls a larger area of oil lands than all the companies in the United States of America, and, therefore, it should be to our advantage to be associated with the corporation commanding such huge supplies of crude oil, and which, moreover, is not dependent upon any other organization for transport. The agreement also contains a safeguard in that, if the Anglo-Persian Oil Company attempts to charge unfair transport charges, there is nothing to prevent our chartering other vessels for the conveyance of this crude oil to Australia, the price fixed being f.o.b. port of shipment. This means that the oil becomes our property when it is put on board ship, such ship to be named by us, so we are free to choose our own vessels for its conveyance to Australia; but the Anglo-Persian Company undertakes to carry it at a reasonable price. I trust the agreement will be ratified with as little delay as possible, so that, with an adequate supply of fuel oil at reasonable prices guaranteed, our manufacturing industries may be increased and developed satisfactorily.

Mr. FENTON (Maribyrnong) [2.41].—I agree with many other honorable members who have spoken during this debate, that a considerable amount of time might be saved if the agreement is referred to a Select Committee of the House,

because if it is to be taken seriatim the debate is likely to be very protracted. If, however, it is referred to a Committee, and a report is presented to the House in three weeks' time, it is quite likely that, with the information then available to honorable members, the Bill will be agreed to unanimously. In all these great financial transactions we might very well follow the example of the House of Commons, which refers all proposals entailing a considerable expenditure of money to Committees. In connexion with the Profiteering Act of 1919, Select Committees were appointed, at the instigation of Mr. McCurdy, a member of the British Cabinet, and as the Profiteering Act dealt with a variety of subjects and industries, one Committee investigated the shipping side of the problem, and another inquired into the question of oil supplies in Great Britain. The latter Committee submitted a brief report, which appears in the *London Times*, and for the information of honorable members I shall quote the conclusions arrived at after an exhaustive investigation. The report stated—

We find that—

1. There is grave danger of a permanent world famine in motor spirit, even at fabulous prices.

After analyzing the present and potential oil supplies of the world, the Committee arrived at that very important conclusion. It went on to report that—

2. The sole remedy for this country is a largely increased production of home and/or Empire produced motor fuel.
3. Power alcohol is the only potentially unlimited source of supply.
4. The Government should use every possible means to foster the production of power alcohol and place no restriction on the production and use of power alcohol in this country.

Mr. CORSER.—Surely we need not have any investigation as to power alcohol. The matter has already been investigated here.

Mr. FENTON.—But since the British Government thought it worth while to investigate these matters, surely we should have an inquiry before we enter into an agreement of this kind. We have had quite recently a concrete illustration of the expedition with which a Committee can report. The Select Committee appointed only four weeks ago to inquire into the question of sea carriage

has already presented to the House a progress report of a very valuable character. In order that the House may be supplied with the fullest information, and so placed in a position to arrive at a proper conclusion in regard to this agreement, we should have an inquiry. This proposal for a Select Committee is entirely non-party. Surely the mere fact that it has emanated from the Leader of the Opposition (Mr. Tudor) should not give to it a party tinge? A Select Committee would be able to analyze the agreement, obtain further information, and report to us within three or four weeks.

This agreement will bind us to the company for the next fifteen years. What will be our position at the end of that period? Are we to remain at a stand-still in the matter of the invention and discovery of motor power? Already we have power alcohol, benzol, and a new product known as natalite competing with petrol. Fifteen years hence, in the matter of power, our position will be very different from what it is to-day. I believe that oil fuel will have competitors that will push it right out of the market. All over the world chemists and other experts are at work looking for substitutes for petrol, because we are faced with a famine in respect of motive power, and fifteen years certainly seems to be a long time to be bound to one company. The Public Accounts Committee conducted an inquiry into the Papuan oil fields, and examined Dr. Wade, who is the only expert representing the Australian Government. It reported that—

The opinion of one experienced witness was to the effect that the prospects of obtaining oil in Papua are distinctly good. At the same time, he added, "we have to remember that oil, being liquid, and able to migrate, its accumulation comes under very different laws from those applying to any other mineral; it is the biggest gamble on earth. The thing is to be able to locate the place where the geological conditions are suitable for the accumulation of oil in the pools, and then to bore for it. But in one of those places some little accident in the geological structure underground may have led up to the escape of the oil and its migration elsewhere."

For this reason the witness thought that "there ought to be as many people as possible trying to get oil. The more people there are in New Guinea putting down bores and trying to develop the field, the more likely is it to hit the place for a big supply."

I should like the production and distribution of oil in Australia to be a Govern-

Mr. Fenton.

ment monopoly. The distribution of petrol, and also kerosene, I think, has been made a Government monopoly in France, and is yielding a revenue of something like £2,000,000 per annum. The majority of honorable members, apparently, are averse to the carrying on of this industry wholly and solely by the Government, and are determined to give the Anglo-Persian Oil Company an opportunity to develop our oil resources in Papua. Why not allow other great oil concerns to step in? I admit that we have not made very much progress in Papua during the seven years in which we have been engaged in oil development there. We have expended £21,000 on the work, and the Anglo-Persian Oil Company is going to benefit by that expenditure, which was largely incurred in clearing the country. We have cleared the way for this company to step in and take advantage of the spade work done by the Commonwealth. As the result of our outlay, it will be able to secure a profitable output sooner than would otherwise have been possible. In that respect alone, we are giving the company a great concession.

Mr. POYNTON.—What concession are we giving the company? It is merely to be our agent, and we shall pay it for the work done. It will not participate in any discovery made.

Mr. FENTON.—Oil has already been discovered in Papua. Two men who were non-experts were the first to make the discovery, and their dependants have got very little out of it. The presence of oil has been located over a number of square miles in Papua, and any company now entering into the industry has only to further explore the fields already discovered. Dr. Wade is the only expert representing the Commonwealth Government, and we ought surely to be prepared to take his advice. He has said that if we intend to allow private enterprise to enter these oil-fields, then the greater the number of persons that we have boring for oil the better. Since the Government have determined to depart from the policy that has been followed for some years, and to allow private enterprise to step in, we ought to say to every company, "You can come in under conditions similar to those which we are laying down in respect of the Anglo-Persian Company, and bore for oil in Papua and Australia." The greater the number of

experts we have at work the sooner shall we have an adequate supply of oil. Why limit this undertaking to one company, especially when we know that its antecedents are, in some respects, no better than those of some of the biggest combines in Australia? Something has been said as to the guarantee we have in the presence of Lord Inchcape as a representative of the British Government on the company's board. The Minister for Home and Territories (Mr. Poynton), who is now in charge of the Bill, not long since pointed out in this House the serious competition to which the Commonwealth line of steamers was subjected. I would ask him who was the man he had in mind when he made that statement? He was able to inform the House that, under the chairmanship of Lord Inchcape, a great shipping concern had obtained control of practically half our British bottoms, and it has since swallowed up many more small shipping companies. The honorable member for Flinders (Mr. Bruce), in dealing with this Bill, said that, so far as he could see, the only profit that the Anglo-Persian Oil Company would make under this agreement would be by carrying crude oil from Persia to Australia, and refining it here. It will obtain two profits—a profit on the production of the crude oil and a profit on its carriage from Persia to Australia. Having taken these two big bites out of the profitable cherry, it will allow the Commonwealth to take a small bite out of the remaining piece. If the Government are going to change their policy in regard to oil development, let them throw open our oil-fields to the world.

With the decline in the production of gold in Australia, we shall have to look more and more to our primary industries, and particularly to the pastoral and agricultural industries, for our development. Power alcohol is coming into the field more largely than ever. It is said that this is a petrol age, but we know that Germany during the war was cut off from her supplies of petrol, and by resorting to the production of power alcohol, was able to carry on much of her transport operations. Think of the number of vegetable products from which power alcohol can be produced. It is extracted from molasses, sugar-cane, sorghum, wheat, oats, barley, maize, kaffir corn, potatoes, sweet potatoes, beet, sawdust, wood, prickly pear, fruit, vegetables,

honey, and palm trees. Any plant which produces starch or sugar can be used for the manufacture of natalite; in other words, anything which contains starch and sugar will produce power alcohol.

Mr. FLEMING.—Practically it can be obtained from everything that grows.

Mr. FENTON.—Yes. I know that a good deal of alcohol is used for internal combustion, but it is the wrong kind of internal combustion. I am aware, too, that if alcohol be used for power purposes there are some persons who will not hesitate to consume it even in its raw state. In Germany, to prevent that being done, nauseous ingredients have been introduced into it. That country also imposes a severe penalty upon any person convicted of consuming alcohol which is intended to be used only for power purposes. France is about to follow her example. In connexion with this Bill we have to consider not merely power alcohol, but many other articles, such as benzol. Our gas companies, for example, are operating under an old Act, which compels them to provide gas possessing a standard of illumination, whereas, if they were obliged to provide gas possessing a calorific value they would be able to extract benzol from their coal, and thus supply a substitute for petrol. These are the lines upon which it is suggested that the British Government should act. Whilst I am in favour of referring this Bill to a Select Committee, I am also in favour of doing all that we can to develop our oil resources. In fact, the report presented by the Finance Committee recommended that the Ministry should go ahead with a more vigorous development of the oil industry, either from shale or crude oil. The Government might reasonably adopt the amendment of the Leader of the Opposition, and appoint a Select Committee to inquire into this matter. By that means the passage of the Bill would be expedited, and the public suspicion that everything is not quite above board would be dissipated. To me it is nothing that the British Government, in their agreement with the Anglo-Persian Company, asked for only two directors out of a total of fourteen. I do not wish to be hard upon the Imperial authorities, but I believe the British Governments and

British parliamentarians are far more susceptible to outside influences than are Australian parliamentarians.

Mr. LISTER.—That is a very serious reflection to make.

Mr. FENTON.—If the honorable member will refer to the history of persons who have taken a prominent part in Imperial politics, he will see that some of them who should have been relegated to obscurity have been appointed to very high positions. Take the Marconi scandals, with which a number of members of the British Cabinet were associated. One of those members, in particular, has since been appointed to one of the highest offices in the United Kingdom. Knowing that these things are taking place, the fact that Lord Inchcape represents the British Government in this matter is no inducement to me to vote for this Bill. That gentleman possesses great control, particularly over shipping, and is associated with a body of men who are neither fools nor philanthropists. They are out to make money, and if they can make it by establishing an oil refinery in Australia they will do so. In war time the British Government itself proved to be one of the greatest profiteers in the community. Under this Bill the Anglo-Persian Oil Company will supply Australia with only half its annual requirements in the way of products other than fuel oil. It will be two years before we get a drop of oil from the refinery which it is proposed to establish. What will happen to us in the meantime? We shall be dependent upon the very people whom honorable members opposite so vigorously denounce. What happened to Britain? Out of a total of 300,000,000 gallons of oil required by her annually, the American companies have supplied 200,000,000 gallons. In this connexion I desire to read a paragraph written by Professor Chester Lloyd Jones, of the University of Wisconsin, in which he says—

At present there can be no doubt that the most important economic development of this sort which has occurred to the south of the United States is in oil resources. The most important among these thus far are those in Mexico, a country which in 1901 produced but 10,345 barrels, which began exports a decade later, and which produced in 1917 55,292,770 barrels, a large share of which went to keep the fires burning in the ships of the Allies in their struggle against Germany. In 1918 there were shipped from Mexican ports

53,919,863 barrels. From producing practically nothing at the beginning of the war, Mexico has risen to what is probably second place among potential oil producers, for the oil marketed is now limited, not by the capacity of the wells, but by transportation facilities.

I shall vote against the second reading of the Bill, and shall support the motion of the Leader of the Opposition to refer the measure to a Select Committee, in order to remove the public suspicion with which this matter is surrounded.

Mr. FLEMING (Robertson) [3.10].—Quite contrary to the honorable member who has just resumed his seat, the fact that the company with which the Government propose to enter into this agreement is a purely British one carries considerable weight with me. To my mind, especially in the matter of oil, it is essential that the British Empire shall protect its interests against the great Trusts of the United States. I have no desire to traverse the agreement, which is set out in the schedule to this Bill, and which appears to be, on the whole, a very acceptable one. But I wish to draw special attention to one remark made by the Prime Minister in discussing the measure. He stated that, in connexion with the future oil supplies of Australia, we should put shale upon one side and look only for well oil. Now, there are quite a number of really good shale propositions to be found throughout the Commonwealth. Some of them are of the most promising nature. Upon page 441 of the *Official Year Book* of the Commonwealth for 1914, I find the following:—

Production on anything like a large scale commenced in 1868, when about 17,000 tons, valued at £48,000, were raised. The production in 1912 amounted to 86,018 tons, valued at £34,770, as compared with 75,104 tons, valued at £36,980, in 1911. Of the total raised in 1912, 40,185 tons were produced in the Northern District, and 45,833 in the Western District.

In addition to that there are deposits in Western Australia, the Northern Territory, and Queensland, any one of which might be well worth developing. Some of them certainly are. The *Year-Book* further says—

During the year ended 30th June, 1913, the Commonwealth Oil Corporation at Hartley Vale, New South Wales, received bounty to the amount of £804 on kerosene, and £882 on

refined paraffin wax, while the British Australian Oil Company, received £1,988 on kerosene, and £86 on paraffin wax.

That bounty ceased to exist at the end of 1913. When it ceased the British Australian Oil Company, which had its works at Murrurundi, was compelled to close down, though a very small additional bonus would have enabled it to continue operations. It seems to me that the Government would be well advised not only to adopt this agreement with the Anglo-Persian Oil Company, but to do something in the direction of encouraging shale oil production in Australia. I know that a good deal of money has been lost, both in Scotland and Australia, in connexion with the production of shale oil. But that was before oil was in such great demand as it is to-day. We must recollect that during the past three or four years the price of that commodity has increased by 200 per cent. or 300 per cent. Properties, therefore, which under former conditions required a good deal of assistance from the State ought not to need very much in the way of financial assistance in the future. I have not the slightest doubt that before many years we shall discover mineral well oil in Australia. In this connexion the honorable member for Maranoa (Mr. James Page) told us to-day what happened in Queensland. All the oil experts in this country, and certainly a great number of American experts, regard the experiment at Roma as convincing proof that, sooner or later, good, free oil will be discovered in Australia.

Mr. McWILLIAMS.—Good oil has been discovered in South Australia.

Mr. FLEMING.—I do not think much of the results which have been achieved there, but I am satisfied that good oil will yet be obtained, both in New South Wales and Queensland. Until that time arrives, however, the Government will be well advised to give due encouragement to shale oil propositions.

Mr. WEST (East Sydney) [3.15].—I would not have taken part in this debate had it not been for the fact that the real intention of the honorable member for Yarra (Mr. Tudor) in advocating the appointment of a Select Committee has been entirely overlooked. The honorable member for Yarra moved for the appointment of such a body so that full

information could be furnished to honorable members at an early date. Under the agreement we are virtually handing over to the Anglo-Persian Oil Company for a period of fifteen years the sole right to refine oil in Australia. The term is a very lengthy one, and I cannot recall an agreement of a similar character being arranged for such a number of years. Do honorable members realize that in supporting this Bill they are assisting in establishing a huge monopoly in the Commonwealth? The agreement embodied in the measure does not make any provision for exploring for oil, but simply creates the necessary machinery for erecting a refinery in Australia. The crude oil to be handled will have to be imported from other countries, and as the arrangement is for refining only, other companies should be given the opportunity of bringing crude oil to Australia. The agreement was drawn up in an atmosphere totally foreign to Australian sentiment, and entirely opposed to the best interests of the Commonwealth. Those gentlemen who were responsible for its drafting are doubtless past masters at the work, and when the document was submitted to the Prime Minister (Mr. Hughes) and the Minister for the Navy (Sir Joseph Cook) they apparently overlooked the fact that they were being influenced by such men as Lord Inchcape. I do not think it can be called an agreement, because such documents usually embody a mutual arrangement between the contracting parties; in this case all of the benefits are on one side. It would be interesting to know how the honorable member for Flinders (Mr. Bruce) intends voting on this Bill, because he very critically analyzed many clauses in the agreement, and came to the conclusion that practically every one would have to be amended in Committee. Why does not the honorable member support the appointment of a Select Committee to enable the fullest possible information to be submitted to this Chamber? When considering a proposal such as this we should know what developments are taking place in oil-producing centres, and what prospects there are of other corporations entering into a similar arrangement with the Commonwealth. When I was in New Guinea, in 1912, I was informed by men who had been engaged in exploratory work there that the principal difficulty in connexion with that field was in finding a means of transport between the oil deposits and the

port of shipment. That view was supported by the gentleman who represented the Commonwealth before Dr. Wade was appointed, and who had done boring operations in the oil-fields of Russia and America, and has a very extensive knowledge of the whole industry.

The other agreement entered into may be regarded as a deed of gift, as we have to provide £50,000 for exploratory work, and have absolutely no control. It is generally supposed that extensive oil deposits will not be discovered on the mainland, and that the chief source of supply will be in the Pacific Islands under the control of the Australian Government, but no provision has been made for bringing supplies from that source to an Australian refinery. The Prime Minister has stated that oil is one of the chief essentials in the industrial world, and absolutely necessary if Australia is to be self-contained, and yet we are allowing a company to have absolute control. If there is to be a monopoly it should not be in the hands of a private company, and even at this stage the Government should consider the advisableness of erecting a refinery of their own to deal with supplies from outside sources. The agreement provides that the commercial and technical management shall be entirely in the hands of the company, and that a modern refinery shall be established in the Commonwealth. No mention is made of the size of the refinery, and it is quite competent for the company to erect a plant of very small dimensions. The honorable member for Kooyong (Sir Robert Best) referred to the expert knowledge possessed by the representatives of the Anglo-Persian Oil Company, but so far as my knowledge goes I do not think much technical skill is required, as the principal operation is that of distilling. When I was engaged in plumbing I frequently made stills of various kinds—I did not ask what they were for—and as they are very simple in construction, the work of distilling does not require great skill. I do not want to record my vote in such a way that we will be prevented from producing oil in Australia, because I know that supplies are urgently required if only for use in connexion with combustion engines. It is the duty of honorable members to indicate whether it is their intention to support or oppose this measure, be-

Mr. West.

cause the creation of such a monopoly may be the means of retarding the progress of the Commonwealth. The deliberations of a Select Committee need not be too long. Since this matter has been under discussion I have been surprised to learn of the number of people in Australia endeavouring to get oil. Many people have been at work at Newnes for a long time past. They are producing oil in large quantities, and are able to dispose of all they get. Yesterday I received a letter conveying a very reasonable request from the Victorian lubricating oil trade. They have adopted the following resolution:—

That members of the House of Representatives be approached with a view of requesting their support in having the ratification of the agreement made between the Commonwealth of Australia and the Anglo-Persian Oil Company Limited held over until further information be secured on many points which appear in the agreement, and also until the lubricating oil trade in the other States have an opportunity of voicing their opinion on the said agreement.

We ought not to set up our opinions against those who have been producing and using oil.

Another grave objection against this Bill is the length of the agreement. It is too long, and long agreements are dangerous. The shorter an agreement is made the more we may be sure that the interests in it are mutual. If a legal gentleman produces a long document for one's signature, we may be sure that it has purposely been made long so that there may be a chance of having it defeated. This is not a mutual agreement. Too much power is given to one side, and too little to the other. I have no objection to its being registered under the Victorian Companies Act. Honorable members generally prefer that it should be registered under that Statute. But there are many omissions from the document. No provision is made for depreciation or for a profit and loss account, or as to what the size of the refinery will be, or as to how much oil is to be put through each year. I think the attitude of the Government is one of obstinacy. If they consider the agreement a perfect one, with which no fault can be found, surely they should not be afraid to have it subjected to the light of day. As the Leader of the Opposition (Mr. Tudor) has pointed out, before this House agreed to involve the

country in an expenditure under the Iron Bounty Bill, it decided to hear the evidence of experts. Yet here Ministers propose to involve the people of Australia in a big expenditure and create a monopoly for fifteen years in a commodity which is most essential in our industrial life and for the transporting of our produce. We are very foolish if we agree to do so without a preliminary inquiry. We are anxious to do the right thing, but we cannot when the Government are determined to prevent us from knowing the full details of the step we are asked to take.

The Commonwealth has spent £120,920 to date in prospecting for and the production of oil in Papua, and at the last stock-taking in June, 1919, the realizable assets were valued at £24,500. I am quite willing to admit that when a Government undertakes exploring work of this character, there are losses, and I do not condemn our Government in this respect, but under the agreement with the Anglo-Persian Oil Company and the British Government all our labour and expenditure in Papua is to be handed over to the oil company, and I am told that Lord Inchcape is connected with the concern. If Lord Inchcape were cut up into twenty-five pieces, he could not fill the chair in half the propositions with which he is connected as director. But if his name is included in the directorate of any concern, we may be sure that it is one that is out to get an advantage over the people. The Peninsular and Oriental Navigation Company now propose to establish banks at every corner of the world where their vessels touch, so that they can control monetary transactions as well as shipping. but if Australia allows it to be done here, the people are simpler creatures than I have always taken them to be. I maintain that this agreement is not an agreement, because it is not mutual in character, and that the Government have been very unwise in asking the House to agree to it.

Dr. MALONEY (Melbourne) [3.37].—As I understand that the Prime Minister desires to make a statement, I shall make my protest against this Trust by voting against the Bill, and reserving any remarks I intend to make until the motion to refer the Bill to a Select Committee is before the House, when I under-

stand full latitude will be given to honorable members to discuss the subject.

Mr. HUGHES (Bendigo—Prime Minister and Attorney-General) [3.38].—I shall confine my remarks to dealing with the material points raised during the course of the debate by honorable members who for one reason or another do not entirely approve of the Bill. I wish to preface what I have to say by repeating in most emphatic and unambiguous language that the Anglo-Persian Oil Company has no connexion, direct or indirect, with any other great oil company. I have explained that the Burmah Company, which is to all intents and purposes part of the Anglo-Persian Oil Company, is in itself a British company. The Anglo-Persian Company has no relation to the Standard Oil Company, the "Shell" group, or any American or foreign company. It is British in essence and origin, and owes its success to British enterprise and capital, and its control is now in the hands of the British Government.

Many reasons have been urged by honorable members as to why the agreement should not be ratified. I must confess to a feeling of disappointment at those which have been put forward by some honorable members. Some have urged that if the agreement is ratified it will create a monopoly in this country and place us under the domination of the Anglo-Persian Oil Company, but this accusation comes strangely from the lips of men who have been absolutely silent under the complete domination of the Standard Oil Company and the "Shell" group for years and years. As soon as a British company, which is dominated by the British Government, and which is Imperial in essence, offers, making the Commonwealth a full partner with it, to erect a refinery in this country, members rise and say that this is a monopoly, and, for their part, they will not agree to it. The Shell? Yes. Standard Oil? Yes. But the Anglo-Persian, Great Britain, and the Commonwealth? No. I must confess that their attitude surprises me. What surprised me no less was to hear, for the first time in my life, that moderation was one of the characteristics of the Standard Oil and Shell Companies, that they had not increased their prices, but had stopped

short of taking the last penny from the users of petrol, benzine, lubricating oil, and fuel oil in Australia. We were told, in short, that those companies, which for years had been, as it were, the stalking-horse of every Democrat, every syndicalist, and every demagogue, like myself, throughout the world, had suddenly become clothed in the shining garments of the philanthropist, and all the hosts of the archangels. As I looked at the representatives of the Shell and the Standard Oil in the gallery while these things were being said, I saw their faces shine like the faces of those who had found an abiding place in the bosom of Father Abraham. They surely did not recognise themselves in that description. The fact is that the Standard Oil, the Shell, and other foreign companies have done everything that lay in their power as commercial concerns, which are not immoral, but unmoral, whose only god was profit, and whose only purpose was to wring the last penny out of the consumers of this country, to serve their own purposes at our expense, even to threatening this country with an oil famine. When the Prices Commission declined to increase the price of oil, they said, "If you do not increase the price, you will not have any oil."

Mr. JAMES PAGE.—Lord Inchcape said the same with the shipping.

Mr. HUGHES.—Have we come to this, that when it is proposed that the Commonwealth shall become a full partner in a great Imperial concern, because it is Imperial in the best sense of the word, since the British Government is a full partner in it, we should refuse to take the opportunity to erect in Australia a refinery which would insure fuel oil for our Navy, without which we are undone, and for the British Navy, without whose co-operation we are undone? I say deliberately that the China Fleet, as well as our own, cannot operate effectively in time of war unless there is ample oil storage round these coasts. On whom are we to rely, then? Is it on the American company and the Dutch companies, or on this company which is built on the rock of Britain itself? So I put these things to one side as being in themselves abundant proof of the excellence of this

agreement, since no better arguments can be adduced against it.

I take the other points in the agreement against which criticism has been directed. It is said that we shall have no guarantee of getting crude oil at a fair price from the Anglo-Persian Company. I said when introducing the Bill that we would get it at a fair and reasonable price. It was pointed out that that was not in the agreement. I have had it put in. If honorable members ask, "Who is to be the judge of a fair and reasonable price?" I answer, "The Commonwealth." That, I submit, is a full and satisfactory answer. It has also been said, "The company will make their money out of freights, for which they will charge us what they like." My reply was that we would get freight at current rates. One honorable member laughed at this, as if it was the most unusual thing in the world that prices should be regulated by supply and demand. We have always heard from the Ministerial Corner, in regard to wheat and wool, and from the Opposition Corner in regard to labour, that prices should be regulated by supply and demand, plus whatever pressure can be brought to bear on the market. Is that not the law which governs the world? However, in order to meet this objection, we have had that provision altered, and, if the freights charged by the Anglo-Persian Company for bringing their crude mineral oil are such as we consider unfair, we can get other freights, either our own or anybody else's.

I think it was the Leader of the Opposition who said that the effect of the agreement would be that the consumer of oil would be sweated and bled. For all these years honorable members opposite have been silent. While we were under the domination of the Shell and the Standard Oil Companies, they cared nothing about the unfortunate consumer; but now they sweat with terror or apprehension at the prospect of the poor consumer being exploited by this company, in which the Commonwealth itself is to be the dominant partner. But what are the facts? For the first time since oil has been used in Australia, the interests of the consumer will be conserved. No

longer will he be compelled to pay whatever Standard Oil likes to charge him. I have said that the price will be fair and reasonable. It was contended that there was no guarantee of this, since no provision was made for it in the agreement. In order to meet this objection, I have had such a provision inserted. If I am asked, "Who is to say what price is fair and reasonable?" I say, "The Commonwealth." I ask honorable members who are capable of looking at anything that comes out of Judea—or is it Nazareth?—with an unjaundiced eye, what more do they want?

Further, the critics of the agreement complain that this company is going to be protected against the competition of the Shell and Standard Oil concerns, the two which I take as being the greatest of the foreign companies, by having a refund of duty on crude oil if those companies, as our competitors, wish to undersell the Anglo-Persian Company and destroy them, for the purpose of subsequently exploiting this country and resuming their monopoly of it. It is said "You are going to give the Anglo-Persian Company an unfair advantage." My answer is this: "The established policy of this country is Protection. It is a good thing to have the oil refined here, in order to give employment to our people, and to have here supplies of oil, both in its raw and in its refined state. In order to do that, we must protect these industries in Australia by the same means as we employ to protect every other industry." But we provide that, in order to prevent this company exploiting the people, none of the advantages set out in section 12 to safeguard the company against unfair competition by foreign companies shall be enforced unless the company sell their finished article at a fair and reasonable price. The Commonwealth is to say what a fair and reasonable price is. If the company charge more, we lift the floodgates and allow the foreign oil of the dear friends of the critics of this Bill, the Shell and the Standard Oil Companies, to come in, and they can wallow in it to their heart's content.

It is said that we shall have to pay a greater price for crude oil than is necessary. I have already said that one

guarantee against this has been inserted in the Bill. But there is also another, and it is this: That in no circumstances is the price to be greater than the price paid by Britain to the Anglo-Persian Company for crude mineral oil. Surely it will be admitted that there is now a complete guarantee.

Honorable members have seen in this measure the shadow of a menace against exploration for oil in this country and in its Territories. They say, "If we are to get 200,000 tons of crude oil from Persia, the Anglo-Persian experts will not be very keen on finding oil in Papua." One honorable member said that the effect of this agreement would be to send up the price of Anglo-Persian shares. There is an old story about the three tailors of Tooley-street that might be applied here; but all I will say is that when we speak of a company with £20,000,000 of capital, and remember that all we are asked to consider is a matter of £250,000, such a contention may be dismissed without more ado.

The best answer to those who fear that the effect of this agreement will be to retard development and the discovery of oil in Australia or in its Territories is the fact that there is an ample market for Anglo-Persian crude oil all over the world. We believe they will do their best to find oil in Papua. It is an Imperial venture, of which the British Government is paying half the cost. But I say, on behalf of the Government, in order to remove all apprehension, that we shall do two things. First, we shall increase the reward offered to those who find oil in payable quantities, either on the mainland or in New Guinea, or in German New Guinea when we begin to explore there, to the sum of £50,000. Then we shall offer every facility to experts, other than the Persian Oil Company's experts, to explore the mainland—I mean Australia—Papua, and German New Guinea. Further, we shall do all things within our power to give breadth, scope, and life to a policy which will insure not only the discovery, but the development of oil when discovered in this great country of ours.

I think that what I have said covers most, if not all the ground that has been traversed by those who object, for any

reason, to the Bill. It has been suggested that the Bill should be referred to a Select Committee. What is this Select Committee going to do? Who is going to compose it? Who is going to inform its mind? To whom shall it look for inspiration? I speak not at all, of course, of those higher sources that are open to all poor mortals; but to whom below is the Committee to look? What do we know about oil? I speak as a chastened, humble being, and I say that I know nothing about oil. There are those in this Chamber who know everything about all things, and I leave them to flounder in the wealth of their knowledge. I speak of ordinary men. If I were on such a Select Committee, I should have to inform my mind from reports of previous Committees on the subject, or to listen to evidence from the Anglo-Persian, the Standard, or other oil companies. The Cabinet has done its best to inform its mind, and it relies principally on the fact that what is good enough for Britain is good enough for the Commonwealth. And we feel, above all things, that our present circumstances are such that we dare not go on as we are; we dare not, in the face of facts—in the face particularly of the fact that, without fuel oil, our Navy is powerless—allow this country to remain dependent for supplies of this thing, which is vital alike to our national safety and economic welfare, to foreign companies. For that reason, I urge the House to accept this proposal.

One other point before I sit down. It is said that this Bill will mean the death-knell of the shale-oil industry. I deny that utterly. It exposes the shale industry to no greater competition than at present, though it changes the nature of the competition. The shale industry will not be exposed to the American competition only; it will be asked to face competition, partly in our midst and partly from overseas, but the volume of competition will remain the same. Since we have established, by bonus and otherwise, the shale industry in this country, we shall not desert it merely because we pass this agreement. We shall encourage the shale industry; we never know but the day may come when we shall have to fall

Mr. Hughes.

back on shale oil, and we shall not desert those men who have put their money and given their time to the establishment of the industry. Above all, we shall do everything we can to make ourselves independent of Anglo-Persian crude oil by finding oil on the continent of Australia or in our Territories.

Question—That the Bill be now read a second time—put. The House divided.

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| Ayes | 36 |
| Noes | 19 |

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| Majority | 17 |
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AYES.

| | |
|------------------|----------------------|
| Atkinson, L. | Jowett, E. |
| Bayley, J. G. | Kerby, E. T. J. |
| Bell, G. J. | Lamond, Hector |
| Best, Sir Robert | Lister, J. H. |
| Bowden, E. K. | Mackay, G. H. |
| Bruce, S. M. | Marks, W. M. |
| Cameron, D. C. | Marr, C. W. C. |
| Cook, Sir Joseph | Maxwell, G. A. |
| Cook, Robert | Page, Dr. Earle |
| Corser, E. B. C. | Poynton, A. |
| Fleming, W. M. | Prowse, J. H. |
| Foster, Richard | Ryrie, Sir Granville |
| Francis, F. H. | Smith, Laird |
| Gibson, W. G. | Wienholt, A. |
| Gregory, H. | Wise, G. H. |
| Groom, L. E. | |
| Higgs, W. G. | |
| Hughes, W. M. | |
| Jackson, D. S. | |

Tellers:

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| Burchell, R. J. |
| Story, W. H. |

NOES.

| | |
|-------------------|-------------------|
| Blakeley, A. | Makin, N. J. O. |
| Catts, J. H. | Maloney, Dr. |
| Charlton, M. | McWilliams, W. J. |
| Considine, M. P. | Moloney, Parker |
| Cunningham, L. L. | Riley, E. |
| Fenton, J. E. | Tudor, F. G. |
| Gabb, J. M. | West, J. E. |
| Lavelle, T. J. | |
| Lazzarini, H. P. | |
| Mahony, W. G. | |

Tellers:

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|-------------|
| Page, James |
| Watkins, D. |

PAIRS.

| | |
|-----------------|-----------------|
| Watt, W. A. | Anstey, F. |
| Chanter, J. M. | Nicholls, S. R. |
| Greene, W. M. | Brennan, F. |
| Fowler, J. M. | Ryan, T. J. |
| Livingston, J. | Mahon, H. |
| Bamford, F. W. | McDonald, C. |
| Blundell, R. P. | Mathews, J. |

Question so resolved in the affirmative.

Bill read a second time.

Mr. TUDOR (Yarra) [4.10].—I move—

That the Bill be referred to a Select Committee.

I ask leave to resume my remarks on a future occasion.

Leave granted; debate adjourned.

WAR GRATUITY BILL (No. 2).

Message recommending appropriation reported.

PAPER.

The following paper was presented:—

Lands Acquisition Act—Land acquired under at North Fitzroy, Victoria, for Defence purposes.

ADJOURNMENT.

TASMANIAN OIL COMPANY—DISLOYALTY.

Motion (by Mr. HUGHES) proposed—

That the House do now adjourn.

Mr. ATKINSON (Wilmot) [4.13].—

During the debate on the Oil Agreement Bill, when the honorable member for Franklin (Mr. McWilliams) was speaking, the Minister for the Navy (Sir Joseph Cook) made an interjection which I apparently contradicted; though mine was not a direct contradiction, because the Minister and I were looking at the matter from different points of view. The actual offer by the Tasmanian Oil Company was £4 10s. a ton; but, as the Minister explained afterwards, the company asked that the Government should continue the present bounty on oil. The honorable gentleman will remember that the company's offer was set aside by his Department. Certain figures and facts, however, were put before him, and he stated that he thought that the Naval Board ought to send to the company the terms of an offer which might be accepted. I should like the honorable gentleman to go into that matter again.

Mr. SPEAKER.—The honorable member may not now revive a debate which is closed.

Mr. ATKINSON.—What I desire is that the Minister for the Navy shall look into this matter again. As far back as October last, he asked the Naval Board to send these terms to the company. I understand that something is being done, but there has been too much delay. I believe that the company is ready to make an offer, to which the Department must give the most careful consideration, because it is very anxious to develop its property.

Sir JOSEPH COOK.—I shall look into the matter.

Mr. KERBY (Ballarat) [4.15].—According to the press, the honorable member for Wannon (Mr. Rodgers) interjected yesterday, when I wished to ask a question without notice, that I was casting a reflection on St. Xavier's College. I had no intention of doing that, because I have the greatest admiration for that college. In another newspaper it is reported that certain members on the Opposition side of the chamber interjected that I was adopting low-down electioneering tactics. I have no intention of adopting their methods of electioneering.

Mr. SPEAKER.—The honorable member is now reflecting on certain honorable members, and I ask him not to do that.

Mr. KERBY.—Then I withdraw what I said, and I should like them to withdraw their remarks of yesterday. Had I desired to pursue electioneering tactics I had a splendid opportunity last night, of which I did not avail myself. I asked my question because I think it of urgent public importance that disloyalists shall not be given a chance to instil their opinions into the minds of young Australians.

Question resolved in the affirmative.

House adjourned at 4.17 p.m.

House of Representatives.

Tuesday, 18 May, 1920.

Mr. SPEAKER (Hon. W. Elliot Johnson) took the chair at 3 p.m., and read prayers.

INCREASE OF PARLIAMENTARY ALLOWANCE.

Mr. BELL.—Will the Prime Minister, before introducing a Bill to increase the allowance of members of Parliament, ask the approval of the House to the same rate of increase, namely, 60 per cent., in the allowances made to soldiers incapacitated by the war?

Mr. HUGHES.—When the Bill is introduced, the honorable member will have an opportunity of expressing his views regarding it.

BEET SUGAR.

Mr. FENTON.—Is it the intention of the Government to take control of the sugar produced in Victoria from beet, and, if so, will that be done by regulations under the War Precautions Act?

Mr. HUGHES.—On Friday a deputation put its case before me, and in reply I pointed out that at present prices the Government is losing £14 per ton on the sugar it is supplying to the community; but I promised to do what I could. I have not yet had an opportunity to put the matter before my colleagues. Probably the Government has no power except under the War Precautions Act to control the production of beet sugar, but we could control it under that Act until its expiry, which must come about within a certain period after the declaration of peace. At present I can only say that the Government will consider the matter. We are desirous of helping, not of crushing, the beet sugar industry, and I sincerely regret that, after eight years of encouragement by the Government of Victoria and the Commonwealth Government, the total production of beet sugar in this State is the paltry amount of 1,400 tons.

SHORTAGE OF COAL.

Mr. BLUNDELL.—Owing to the serious shortage of coal in South Australia, a number of industries there may have to close down within the next few weeks. May I, therefore, ask whether the Government cannot, under the circumstances, try to supply coal so that these factories may be kept open?

Mr. HUGHES.—The question was raised last week, when I said that I would see what could be done to make freight available. At least four Commonwealth vessels are now carrying coal, and I have been conferring with the Manager of the Commonwealth fleet as to the extent to which other vessels could be made temporarily available. Of course, our vessels, like private vessels, are under contracts to load cargo.

At the Premiers' Conference, which meets at the end of the week, an opportunity will be given to discuss the matter, which I recognise to be of very great importance.

PURCHASE OF MACHINERY.

Mr. GREGORY.—It is stated in this morning's newspapers that large sums of money are being expended in purchasing machinery for an arsenal, and works of a similar character. I ask the Prime Minister whether the Government will prevent the expenditure of large sums of money in this direction until Parliament has approved of the carrying out of the work.

Mr. HUGHES.—I cannot say on the spur of the moment whether Parliament has or has not approved of the establishment of an arsenal, though I hardly imagine that it would disapprove of such a thing. Without an arsenal we might as well say to the nations of the world, "Come in, brothers, and take our appointed place." The material to which the honorable member refers was offered to us by the British Government at prices so much below cost that we felt that it would be absurd to refuse it; but, of course, the transaction could be cancelled, because there has not yet been delivery. I shall see that when we are discussing the Estimates, the fullest information is made available to honorable members.

INTER-STATE SHIPPING.

FACILITIES FOR SHIPMENT OF COAL.

Mr. RICHARD FOSTER.—I ask the Prime Minister whether, in view of the fact that the released Inter-State shipping from Government control, during the last four or five weeks, has not reached nearly the volume of coal deliveries that were current during the period of control, the Government will ask the Inter-State shipping companies to do their best, at least, to keep up to the facilities in this regard provided during the control of Inter-State shipping by the Government?

Mr. HUGHES.—Yes, we shall, but I think I may be permitted to remind honorable members that this House almost went on its knees every day, but the Sabbath—which is the best day of all for such a purpose—to ask that, for God's sake they should have no more of Government control. The Government not only listened to, but heeded those prayers, and abolished Government control. Honorable members have now the full benefit

and glorious blessings of private enterprise, which seemed so attractive to them when they were afar off. Now they have got them.

Mr. McWILLIAMS.—We have not got them.

Mr. HUGHES.—You have got them. However, I shall go down to these companies, and speak to them. What their answer will be is very obvious. They will say that they conduct their business on commercial principles. The Government do not do that. The Government have bowels of compassion. They listen to what honorable members say. They do not want 30s. for every 20s. they expend. I am very sorry to hear what the honorable member for Wakefield has complained of. I shall speak to the shipping companies.

FEDERAL BUILDINGS IN MELBOURNE.

Mr. HECTOR LAMOND.—I wish to ask the Acting Treasurer a question without notice. There was an announcement made in this morning's newspapers that the Government have in contemplation the erection of offices for the High Court and some other purposes in the city of Melbourne. I shall be glad to know whether Parliament will be consulted before authority is given to begin any of this work.

Sir JOSEPH COOK.—I should think so. I know nothing whatever of the matter to which the honorable member refers.

GOVERNOR-GENERAL'S SPEECH.

PRESENTATION OF ADDRESS-IN-REPLY.

Mr. SPEAKER.—I have to inform the House that His Excellency the Governor-General will this day receive the Address-in-Reply agreed to by this House. I shall be glad if the mover and seconder, together with other honorable members, will now accompany me to present the Address. I shall now leave the chair, and propose to resume at a quarter past 4 o'clock, or as soon thereafter as may be convenient for the House. The bells will ring five minutes before the re-assembling of the House.

Sitting suspended from 3.15 to 4.15 p.m.

Mr. SPEAKER.—I have to announce that, this afternoon, accompanied by honorable members, I waited on His Excellency the Governor-General, and presented to him the Address-in-Reply to His Excellency's Speech at the opening of Parliament, which was agreed to by the House of Representatives on the 18th March, and that His Excellency was pleased to make the following reply:—

Mr. SPEAKER, AND GENTLEMEN,

I receive with much pleasure the address which has been adopted by the House of Representatives in reply to the speech delivered by me on the occasion of the opening of the first session of the eighth Commonwealth Parliament, and desire to thank you for your expression of loyalty to His Majesty the King.

PAPERS.

Papers presented to the British Parliament—
Income Tax—Royal Commission (Imperial)—Report.

Peace—Treaty of Peace between the Allied and Associated Powers and Bulgaria, and Protocol, signed at Neuilly-sur-Seine, 27th November, 1919, with Map.

Profiteering Act—Findings by a Committee appointed to investigate the cost of production and distribution of wool, tops and yarns at all stages, and the profits arising therefrom.

Defence Act—Regulations Amended—Statutory Rules 1920, Nos. 67, 69.

ECONOMIES COMMISSION.

Mr. STORY (for Mr. MARR) asked the Prime Minister, *upon notice*—

1. Whether it is the intention of the Government to afford an opportunity to Parliament of discussing the report of the Economies Commission before adopting any recommendations?

2. In view of the fact that a number of senior officers of the Public Service have been condemned, principally upon hearsay evidence, will the Government afford such officers an opportunity of replying to the accusations made against them?

3. Is it a fact that one officer who had been adversely reported upon by Mr. Templeton issued a writ to that gentleman, upon receipt of which he promptly withdrew everything he had said detrimental to the officer concerned, and publicly apologized, thus stultifying portion of his report to the Government?

4. Is it considered to be in the best interests of the Service that a junior officer should be appointed to report upon the work of his seniors?

5. How long has Mr. Templeton been absent from his own Department in Queensland and engaged upon this Commission?

6. What expenses does Mr. Templeton draw per diem, and how much has been incurred, or paid, to the end of April last?

Sir JOSEPH COOK (for Mr. HUGHES).—The answers to the honorable member's questions are as follow:—

1 to 3. All Departments affected by the report have been given the opportunity of replying to any adverse criticisms, but members can raise the question on Supply or on the Estimates.

4. No junior officer has been appointed to report upon the work of his seniors. The services of the officers attached to the Economy Commission have been utilized for the purpose of investigating and reporting upon the organization, systematization of procedure, methods of conducting business, and the efficiency and economical working generally of the branches of the Service they have inquired into.

5. Mr. Templeton's services were placed at the disposal of the Economy Commission on the 21st February, 1919.

6. Mr. Templeton is paid a travelling allowance of £1 ls. per day. The amount paid to him up to the end of April last is £357, 13s. 11d.

WAR PRECAUTIONS REGULATIONS.

REMITTANCES TO GERMANY.

Mr. GABB asked the Prime Minister, *upon notice*—

1. Whether War Precautions Regulation 64B of 1915, forbidding remittances to German nationals, is still in force?

2. If so, does "any enemy subject" now apply to a German national?

3. If it does so apply, what War Regulations or Statutory Regulations make it so apply?

4. Does the Trading with the Enemy Act 1914-1916 forbid all remittances to Germany?

5. Does the Treaty of Peace Act allow remittances to Germany?

Sir JOSEPH COOK (for Mr. HUGHES).—The answers to the honorable member's questions are as follow:—

1. War Precautions Regulation 64B of 1915 is still in force; but consent to remittances to German nationals is given, provided the remittances are not—

(a) in payment of a pre-war debt due to a German, Austrian, Hungarian, Bulgarian, or Turkish national, or a debt which has become due during the war to such a national;

(b) in payment of German, Austrian, Hungarian, Bulgarian, or Turkish goods;

(c) moneys owned by, or the proceeds of the sale of property owned by a German, Austrian, Hungarian, Bulgarian, or Turkish subject;

(d) for payment to an Austrian, Hungarian, Bulgarian, or Turkish subject;

(e) for payment to any person of whatever nationality resident or carrying on business in Austria, Hungary, Bulgaria, or Turkey.

2. See answer to No. 1.

3. See answer to No. 1.

4. No. See answer to No. 1.

5. The regulations under the Treaty of Peace Act prohibit remittances to Germany without the consent of the Public Trustee or the release by the Governor-General of the property concerned, where the proposed remittance is the property of a German national.

ENEMY DEBTS.

Mr. TUDOR asked the Prime Minister, *upon notice*—

1. Has a clearing office in connexion with enemy debts been established at Melbourne in accordance with the terms of Article 296 of the Treaty of Peace with Germany?

2. Has the Controller of the clearing office yet been appointed?

3. If so, what are his name and address?

Mr. HUGHES.—The answers to the honorable member's questions are as follow:—

1. Yes.

2. No; but for the present the Public Trustee, who is authorized under the Treaty of Peace Regulations, is carrying out all the necessary work in connexion with the clearing office.

3. The name of the Public Trustee is R. McK. Oakley. Address—Central Customs Office, 31 Spring-street, Melbourne.

POST AND TELEGRAPH DEPARTMENT.

LOCKS FOR LETTER-BOXES.

Mr. HECTOR LAMOND asked the Postmaster-General, *upon notice*—

Whether, in view of the great demand for private letter-boxes, it is possible to arrange for the manufacture in Australia of the locks now said to be unobtainable from abroad?

Mr. WISE.—Locks for private letter-boxes have been manufactured in Australia for some years past.

SALES OF CORNSACKS.

Mr. LAIRD SMITH (for Mr. GREENE).—On the 13th May the honorable member for Echuca (Mr. Hill) asked the following questions:—

1. What is the actual profit made on the sales of cornsacks bought on behalf of the farmers by the Government?

2. How much of this amount is to be returned to the wheat-growers?

3. How and when is it to be done?

The information was then being obtained. I am now able to furnish the honorable member with the following information:—

1. £130,036.

2. The whole amount.

3. The amount will be paid to the Australian Wheat Board for distribution almost immediately.

PRINCE OF WALES' VISIT.

HOLIDAY PAY.

Mr. HUGHES.—On the 13th May the honorable member for Melbourne Ports (Mr. Mathews) asked whether the Government intended to pay Commonwealth employees for the holidays they received during the visit of His Royal Highness the Prince of Wales. I then intimated that an announcement would shortly be made. I now desire to inform the House that, in order to have uniformity in this matter, it has been decided that where public holidays are granted to Commonwealth employees in connexion with the visit of His Royal Highness, such employees are to be paid for one public holiday.

CONSTITUTION ALTERATIONS.

Mr. HUGHES.—On the 3rd March, the honorable member for Capricornia (Mr. Higgs) asked the following question:—

Will the Prime Minister give instructions for the preparation of a memorandum by the Crown Solicitor showing in parallel columns the respective proposed alterations to the Constitution in the years 1912, 1915, and 1919, and the clauses of the Constitution that would be affected by the proposed alterations if carried, showing in black type in what respect the proposed alterations of 1919 differed from those of previous years?

I then undertook to comply with the honorable member's request as far as possible. The following statement shows in as convenient a form as possible the several proposed alterations:—

STATEMENT showing the text of the provisions of the Constitution proposed to be altered and the textual alterations and additions proposed to be made to the Constitution, by the proposed laws passed by both Houses of the Parliament in the years 1912, 1915 and 1919 respectively. The text of the existing provisions proposed to be altered is shown immediately under the heading of each section of the Statement, and the text of the provisions as proposed to be altered is shown in the parallel columns in each section—

CORPORATIONS.

(Paragraph (xx.) of section 51.)

Foreign Corporations, and trading or Financial Corporations formed within the limits of the Commonwealth.

| As proposed to be altered in 1912. | As proposed to be altered in 1915. | As proposed to be altered in 1919. |
|---|------------------------------------|---|
| <p>Corporations, including—</p> <p>(a) the creation, dissolution, regulation, and control of corporations;</p> <p>(b) corporations formed under the law of a State, including their dissolution, regulation, and control; but not including municipal or governmental corporations, or any corporation formed solely for religious, charitable, scientific, or artistic purposes, and not for the acquisition of gain by the corporation or its members; and</p> <p>(c) foreign corporations, including their regulation and control.</p> | <p>The same as in 1912.</p> | <p>Corporations, including—</p> <p>(a) corporations formed under the law of a State, including their dissolution, regulation, and control; but not including municipal or governmental corporations, or any corporation formed solely for religious, charitable, educational, scientific, or artistic purposes, and not for the acquisition of gain by the corporation or its members; and</p> <p>(b) foreign corporations, including their regulation and control.</p> |

INDUSTRIAL MATTERS.

(Paragraph (xxxv.) of section 51.)

Conciliation and Arbitration for the Prevention and Settlement of Industrial Disputes extending beyond the limits of any one State.

| As proposed to be altered in 1912. | As proposed to be altered in 1915. | As proposed to be altered in 1919. |
|--|---|------------------------------------|
| <p>Labour, and employment, and unemployment, including—</p> <p>(a) the terms and conditions of labour and employment in any trade, industry, occupation, or calling;</p> <p>(b) the rights and obligations of employers and employees;</p> <p>(c) strikes and lock-outs;</p> <p>(d) the maintenance of industrial peace; and</p> <p>(e) the settlement of industrial disputes.</p> | <p>Industrial matters, including—</p> <p>(a) labour;</p> <p>(b) employment and unemployment;</p> <p>(c) the terms and conditions of labour and employment in any trade, industry, occupation, or calling;</p> <p>(d) the rights and obligations of employers and employees;</p> <p>(e) strikes and lock-outs;</p> <p>(f) the maintenance of industrial peace; and</p> <p>(g) the settlement of industrial disputes.</p> | <p>The same as in 1915.</p> |

NATIONALIZATION OF MONOPOLIES.

| Section proposed to be added in 1912. | Section proposed to be added in 1915. | Section proposed to be added in 1919. |
|---|--|--|
| <p>51A.—(1.) When each House of the Parliament, in the same session, has by Resolution, passed by an absolute majority of its members, declared that the industry or business of producing, manufacturing, or supplying any specified services, is the subject of a monopoly, the Parliament shall have power to make laws for carrying on the industry or business by or under the control of the Commonwealth, and acquiring for that purpose on just terms any property used in connexion with the industry or business.</p> <p>(2.) This section shall not apply to any industry or business conducted or carried on by the Government of a State, or any public authority constituted under a State.</p> | <p>51A.—(1.) When each House of the Parliament, in the same session, has by Resolution, passed by an absolute majority of its members, declared that the industry or business of producing, manufacturing, or supplying any specified goods, or of supplying any specified services, is the subject of a monopoly, the Parliament shall have power to make laws for carrying on the industry or business by or under the control of the Commonwealth, and acquiring for that purpose on just terms any property used in connexion with the industry or business.</p> <p>(2.) This section shall not apply to any industry or business conducted or carried on by the Government of a State, or any public authority constituted under a State.</p> | <p>51A.—(1.) The Parliament shall have power to make laws for carrying on by or under the control of the Commonwealth, the industry or business of producing, manufacturing, or supplying any specified goods, or of supplying any specified services, and for acquiring for that purpose on just terms the assets and goodwill of the industry or business, where each House of the Parliament has in the same session, by Resolution passed by an absolute majority of its members, referred to the High Court, for inquiry and report by a Justice thereof, the question whether the industry or business is the subject of a monopoly, and where after the report of the Justice has been received, each House of the Parliament has, in one session, by resolution passed by an absolute majority of its members, declared that the industry or business is the subject of a monopoly.</p> <p>(2.) This section shall not apply to any industry or business conducted or carried on by the Government of a State or any public authority constituted under a State.</p> |

RAILWAY-DISPUTES.

| Paragraph proposed to be added to section 51 in 1912. | Paragraph proposed to be added to section 51 in 1915. | |
|--|---|----------------------------------|
| (xxxv.A.) Conciliation and arbitration for the prevention and settlement of industrial disputes in relation to employment in the railway service of a State. | The same as in 1912. | (No alteration proposed in 1919) |

TRADE AND COMMERCE.

(Paragraph (i) of section 51.)

Trade and Commerce with other Countries, and among the States.

| As proposed to be altered in 1912. | As proposed to be altered in 1915. | As proposed to be altered in 1919. |
|---|------------------------------------|---|
| Trade and Commerce, but not including trade and commerce upon railways the property of a State, except so far as it is trade and commerce with other countries or among the States. | Trade and Commerce. | Trade and Commerce :— Provided that the alteration of this paragraph by Constitution Alteration (Legislative Powers) 1919 shall not be construed to empower the Parliament to make laws with respect to the control or management of railways the property of a State, or the rates or fares on such railways. |

TRUSTS.

| Paragraph proposed to be added to section 51 in 1912. | Paragraph proposed to be added to section 51 in 1915. | Paragraph proposed to be added to section 51 in 1919. |
|---|--|---|
| (xl.) Trusts, combinations, and monopolies in relation to the production, manufacture, or supply of goods, or the supply of services. | (xl.) Trusts, combinations, monopolies and arrangements in relation to— (a) the production, manufacture, or supply of goods, or the supply of services, or (b) the ownership of the means of production, manufacture, or supply of goods, or supply of services. | The same as in 1915. |

NOTE.—Each of the proposed laws passed in 1919 also contains the following provisions:—

1. The alterations made by this Act shall remain in force—

(a) until the expiration of three years from the assent of the Governor-General thereto; or

(b) until a Convention constituted by the Commonwealth makes recommendations for the alteration of the Con-

stitution and the people indorse those recommendations, whichever first happens, and shall then cease to have effect:

Provided that if no such Convention is constituted by the Commonwealth before the thirty-first day of December, One thousand nine hundred and twenty, the alterations made by this Act shall cease to have effect on the said thirty-first day of December, One thousand nine hundred and twenty.

2. No law passed by the Parliament by virtue of the powers conferred by this Act shall continue to have any force or effect, by virtue of this Act, after the alterations made by this Act have ceased to have effect.

WHEAT AND WOOL POOL CREDITS.

Sir JOSEPH COOK.—On Friday last the honorable member for Franklin (Mr. McWilliams) asked the following question:—

Can the Minister for the Navy, as Acting Treasurer, let us know on Tuesday the actual position of the credits in Australia of the Wheat and Wool Pools? Can he tell us briefly what the total credits are? This would simplify matters when we deal with the Supply Bill, which must come before us shortly.

I promised to furnish the information, which is as follows:—

The operations of the Wheat Pools have resulted, to date, in an overdraft of £1,909,000. Arrangements are now being made for the payment of a further advance, details of which will be published shortly.

The Central Wool Committee's only credit in Australia, other than small balances in the various administrative accounts, is the sum of £521,000 received in respect of wool sold on behalf of the British Government to local manufacturers. This amount will be credited to the British Government after the 30th June next.

OIL AGREEMENT BILL.

Debate resumed from 14th May (*vide* page 2124), on motion by Mr. TUDOR—

That the Bill be referred to a Select Committee.

Mr. TUDOR (Yarra) [4.25].—The debate last week was remarkable for the fact that only one of the speakers, the honorable member for Wentworth (Mr. Marks), declared himself in favour of the Bill. My honorable friend the honorable member for Kooyong (Sir Robert Best) said he favoured an inquiry, and honorable member after honorable member on the other side urged that further information should be given before Parliament was committed to the agreement.

Sir ROBERT BEST.—I raised certain objections, and said I desired further information before I could support the Bill.

Mr. TUDOR.—And apparently the honorable member has had further information upstairs from the Prime Minister. We have not had it down here.

Mr. HECTOR LAMOND.—We have had it on the floor of the House.

Mr. TUDOR.—No, we have not. The honorable member has no doubt heard the Prime Minister upstairs, but I did not have that advantage. On Friday, when honorable members on this side of the House were urging the need for further inquiry, the Prime Minister remarked that representatives of the Standard and "Shell" companies were in the galleries smiling with satisfaction, and I interjected that the smile on their faces was as nothing compared with the smile on the face of the Anglo-Persian man in the gallery. The incident reminded me of the limerick—

There was a young lady of Riga,
Who smiled as she rode on a tiger;
They returned from the ride, with the lady
inside,
And the smile on the face of the tiger.

Mr. RICHARD FOSTER.—That does not apply to this situation.

Mr. TUDOR.—It does. The Prime Minister is absolutely "inside" the tiger as far as this agreement is concerned, and the "tiger" is the Anglo-Persian Oil Company.

Mr. MAXWELL.—I am sorry for the tiger, then.

Mr. TUDOR.—The best speech made last week on the Bill was, in my opinion, that made by the honorable member for Flinders (Mr. Bruce). And he ridiculed that part of the agreement relating to freight on crude oil at current rates, also that portion having reference to the amount of capital to be invested in the business. He stated that the £250,000 which the Government have agreed to put into the business, and the £250,000 to be invested by the Anglo-Persian Oil Company, will not be more than sufficient for distribution expenses of the oil business in Australia. The company have taken up land at Fremantle, and have also made arrangements for land in Port Melbourne for the erection of storage tanks, but there is nothing in the agreement providing that these tanks shall go over to the refinery company. What will be our position if oil refined in the Commonwealth refineries has to be stored in tanks belonging to the Anglo-Persian Company? It is quite possible that one-tenth of 1d. per gallon per annum will be ample

for storage, but until we have information on this subject we shall have no idea how much it will actually cost. The Anglo-Persian Company may charge what they like, and no doubt they will do so. We have been told that crude oil has increased in price all over the world. According to the Petrol Commission's report, the price in the United States of America at present is 6 dollars per barrel, and I understand a barrel contains 42 Imperial gallons, making the price about 8d. per gallon. If we can get the crude oil to Australia, not at 8d., but at 6d. per gallon, the 200,000 tons will, at 240 gallons to the ton, cost us about £1,200,000.

Now on the question of freight, I may inform honorable members that the Anglo-Persian Company are the only people who trade in the Persian Gulf, and, according to the Petrol Commission's Report, they are charging more than £15 per ton freight from Adaban, in the Persian Gulf to the United Kingdom, and as the distance to Australia is as great, if not greater than, to England, they are not likely to charge the Commonwealth less. The Prime Minister has stated that he will alter that portion of the agreement relating to price, and that the rate for crude oil will be the same as that charged to the British Government. But the British Government are not buying crude oil at all.

Mr. HUGHES.—Yes, they are. The British Government are the Anglo-Persian Company.

Mr. TUDOR.—I know the British Government hold more than one-half the shares in the company, but it is not likely that they would fix the price f.o.b. Persian Gulf, and then sell it to themselves after refining. If we discover oil in Papua, are we likely to fix the price f.o.b. there? The honorable member for Kooyong (Sir Robert Best), and the honorable member for Eden-Monaro (Mr. Austin Chapman) will bear me out when I say that these house-to-house transactions are always a source of trouble to the Customs Department with companies having establishments in Great Britain or other countries and Australia. Therefore, the Anglo-Persian Oil Company would not be likely to fix the price for crude oil in Persia. Crude oil varies in quality. During the war it was found that the product

of one of the other Combines was infinitely superior for explosives to that obtained from the Persian Gulf. We have been told that 80 per cent. of the toluol used for explosives manufactured by the Allies was made from the Sumatra oil, and the verdict of the men "over there" was that had it not been for the Combine which the Prime Minister has denounced as "foreign" making available this product for high explosives, the Allies would not have won the war. That is the position. During the war we spoke of those who fought with us as our Allies, and of those who were against us as the enemy. The Prime Minister (Mr. Hughes) apparently tried to confuse the issue by making it appear that the Shell Oil Company was a foreign corporation, and, therefore, worthy of any ill-treatment to which we chose to subject it.

Mr. RODGERS.—That company was working on purely business lines.

Mr. TUDOR.—Undoubtedly. And the Anglo-Persian Oil Company is not in business merely "for the good of its health" or for the benefit of the country. It is in this enterprise for what it can make out of it.

Mr. RICHARD FOSTER.—And so with the Imperial Oil Company.

Mr. TUDOR.—The whole of them are in exactly the same position. I urge that we should have further information upon this subject, firstly, because the agreement would commit us in respect of too long a period, and, secondly, because of the amount of money involved. Let us assume that the crude oil to-day is worth 6d. per gallon, or 25 per cent. less than the American crude oil is worth to-day, according to the report of the Petrol Commission. That Commission was appointed by the British Government. It was not in any way connected with the oil trade, and its report was denounced by the trade in Great Britain. It proved that the value of crude oil in America at the present time is about 8d. per gallon, or 6 dollars per barrel, and it is said that the price is going up. Taking the value of the crude oil at 6d. per gallon, we have a total of £1,200,000 in respect of the annual supply from Persia. If we allow freight costs at £15 per ton, or less than is being charged the British Government at the present time, we have in respect of the 200,000 tons an expenditure of £3,000,000 per annum, making a total

of £4,200,000. Thus, during the first five years we should have a total of £21,000,000 if before the end of that period we discovered oil in Papua, and they started to work it. The company's ten years' operation in Papua would represent, in respect to the cost of the oil, £1,200,000 per annum. Freight, at £7 10s. per ton—or one half the rate at present charged between Persia and the United Kingdom—would amount to £1,500,000 per annum, making a total of £2,700,000. Thus, in respect of the ten years' period the amount involved is £27,000,000, or a grand total of £48,000,000, spread over the fifteen years covered by the agreement. We shall be committed to an expenditure of £21,000,000 during the first five years, assuming, of course, that by that time oil will have been found in Papua, and that the crude oil is still worth 6d. per gallon, or 25 per cent. less than it is to-day in America. The Prime Minister said last week that if we were dissatisfied with the freight charges it would practically be possible for us to bring the oil over in our own ships. Have we any oil-tank steamers available? As a matter of fact, we have none. There are only two or three companies in the world that have "oil tankers," and by means of this Bill we are saying to those companies to-day, "Clear out of Australia. We will have nothing to do with you." Under this Bill the Government are taking up an attitude which I hope will never be adopted by the Labour party when in power. They are creating what may prove to be a valuable precedent. They are saying, in effect, in this Bill, "If you have an opponent, destroy him by fair means or foul. Freeze him out." They are saying to the oil companies now doing business here, "We will rob you of the trade you at present enjoy here; we will destroy your business." They are going to render valueless the storage places that they have scattered all over Australia. When I entered into possession of the room assigned to the Leader of the Opposition, which had previously been occupied by the present Minister for the Navy (Sir Joseph Cook), and before him by the late Sir George Reid, the only book I found there was an album of photographs of the tank storages of the British Imperial Oil Company. That book shows that the company has storage places all over the Commonwealth. Under this Bill the Commonwealth intends to

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take such action as will prevent that company from doing any trade in Australia. If the honorable member for Flinders (Mr. Bruce) were a director of that company, and received two years' notice of the intention of the Government to take over the whole of the oil business in Australia, what action would he take in regard to oil supplies for Australia in the meantime?

Mr. RODGERS.—But 50 per cent. is not a monopoly.

Mr. TUDOR.—In respect of some of the commodities dealt with more than 50 per cent. of the trade is to be taken over. The Government propose to favour a company with which they have entered into partnership, and to impose a rate of duty on oil brought in by other companies which will lead to an absolute monopoly. If I happen to be in Parliament when such a proposal is made, I shall not hold myself bound by this agreement to give the company an absolute monopoly by imposing prohibitive Customs duties, and refund them later to one company only. I shall not be prepared to freeze out every other company by means of Tariff preferences. I shall not be prepared to join with the Government in a proposal to refund to this company every penny that it pays by way of Customs duty, so as to give it an advantage over its competitors. We are asked to tie ourselves up for the next fifteen years to this company. We are to have only three directors, while the other parties to the agreement are to have four. We shall thus have no real control over the £48,000,000 involved; but if the House votes for an inquiry, it will be open to us to determine what terms should be imposed.

Mr. RODGERS.—Are these the only points in respect of which the honorable member has asked for an inquiry?

Mr. TUDOR.—No. I am not going to traverse the ground travelled by me last Tuesday when dealing with this question. I object to the agreement for the reasons given last week by the honorable member for Flinders and myself. The British Petrol Commission reported that the people in Great Britain who were supposed to be interested in keeping down the price of oil were apparently interested in keeping up the price. That will be the effect of this agreement. The Commonwealth, as a partner in this enterprise, will be more interested in getting revenue from its

operations than in seeing that the people of Australia obtain oil at a reasonable price.

Mr. HECTOR LAMOND.—What sort of an argument is that against State enterprise?

Mr. HUGHES.—It is the most fatal blow ever directed, within my knowledge, at Socialism.

Mr. TUDOR.—Not at all. We have only a half-share in this enterprise, and while we are to have three directors on the Board, the other party are to have four.

Mr. HECTOR LAMOND.—But if the Commonwealth is going to do what the honorable member suggests, because it has a half-share, what would it do if it owned the whole concern?

Mr. TUDOR.—Many Commonwealth enterprises—particularly the factories associated with the Defence Department—have been able to manufacture and sell at prices below those charged by private firms and companies. But with four directors controlling this business as against three representing the Commonwealth interests—

Mr. HECTOR LAMOND.—And the Parliament will control the whole.

Mr. TUDOR.—Not at all. We shall control this enterprise only to the extent set out in the agreement. There is not one word in the agreement in regard to the fixing of the price of oil.

Mr. HUGHES.—There is.

Mr. TUDOR.—The right honorable gentleman is mistaken. It gives the company complete power to conduct its operations as it desires, and, very naturally, it will take advantage of that privilege. It will fix the price. I have read the agreement which was only recently signed by the Prime Minister, and presented to this House on Thursday or Friday night last, and there is not one word in it to indicate who is the owner of the oil after it is discovered.

Mr. HUGHES.—Which oil?

Mr. TUDOR.—The oil discovered in Papua.

Mr. HUGHES.—What has this agreement to do with oil in Papua? If I were to employ the honorable member at 30s. per week to build a house for me, am I the owner of the building before it is completed?

Mr. TUDOR.—Of course: but that is an entirely different proposition to the one I am submitting. There is no provi-

sion in the agreement to say who is the owner of the crude oil when it is discovered. I suppose we are to assume that all indigenous oil belongs to the Commonwealth, and I am objecting to the Anglo-Persian Company taking one-half.

Mr. HUGHES.—One-half of what?

Mr. TUDOR.—One-half of the oil.

Mr. MAXWELL.—That is not so.

Mr. TUDOR.—The Anglo-Persian Company is to receive one-half of the profits on the refined product.

Mr. HUGHES.—The company is contributing one-half of the capital, and is also supplying the necessary expert assistance. What does the honorable member know concerning oil?

Mr. TUDOR.—Nothing. I told the Prime Minister (Mr. Hughes) that on Tuesday last.

Mr. HECTOR LAMOND.—The honorable member is now proving it.

Mr. TUDOR.—I have gone into this question very carefully, and am more than ever convinced that if the agreement is adopted it will be a bad bargain for the Commonwealth. I stated last Thursday that during the nineteen years I have been in public life I have never received a single penny-piece from any outside source. I say that deliberately. I have not the slightest interest in any concern, either manufacturing or importing, inside or outside of Australia, and if honorable members dare to hint that I am in any way connected or interested in any commercial concern, I may inform them that they are absolutely wrong. I am justified in repeating this statement, because certain insinuations have been made that opposition has been taken to this agreement because some of those outside who are supporting me in my motion for an inquiry are interested parties. I am confident that if we enter into this arrangement with the Anglo-Persian Company we shall be making a bad bargain, and one which we shall always regret. We shall be encumbered for a period of fifteen years, and the Anglo-Persian Company will be in a position to charge what it likes for refined oil.

Mr. HUGHES.—But it cannot.

Mr. MAXWELL.—Of course, it cannot.

Mr. HUGHES.—It is nothing of the kind.

Mr. TUDOR.—I can only follow one interjection at a time, and—

Mr. MAXWELL.—Under the agreement it is impossible for the company to fix any price that, in the opinion of the Commonwealth, is not fair and reasonable.

Mr. TUDOR.—Where is that stated?

Mr. MAXWELL.—In clause 14, I think.

Mr. TUDOR.—Clause 14 gives the company an absolute monopoly.

Mr. MAXWELL.—I am not quite sure of the clause, but the Commonwealth interests are protected.

Mr. RODGERS.—Who is the tiger in this instance?

Mr. TUDOR.—The Anglo-Persian Oil Company.

Mr. SPEAKER.—Order! I must ask honorable members to allow the honorable member for Yarra (Mr. Tudor) to proceed. These interjections are distinctly out of order.

Mr. MAXWELL.—I think protection is given under clause 14.

Mr. TUDOR.—I was referring to the price which consumers will have to pay for oil.

Mr. MAXWELL.—The honorable member will see—

Mr. SPEAKER.—Order! I must again ask honorable members not to persist in interjecting while the honorable member for Yarra is speaking.

Mr. TUDOR.—We shall be making a very great mistake if we prevent other companies from competing, as we shall be closing up the oil industry—small as it is—in Australia. It is generally admitted that the shale oil industry should be protected.

Mr. FLEMING.—It will not interfere with the shale oil industry.

Mr. TUDOR.—When once this agreement is adopted the shale oil business will be wiped out entirely.

Mr. FLEMING.—We could give it a small bounty.

Mr. TUDOR.—What opportunity will it have of competing even if assisted by a small bounty? I had the privilege of assisting in the passage of an oil bounty Bill through this Parliament for protecting the production of shale oil and paraffin wax. But apparently we are to have—as a result of a meeting upstairs—an amended agreement.

Mr. HUGHES.—A meeting upstairs! To what is the honorable member referring?

Mr. TUDOR.—As a result of a party meeting last Thursday morning, we were told through the press that certain recal-

citrant members will now support the agreement. We were also informed that certain amendments were to be brought forward.

Mr. HUGHES.—The press is, of course, the honorable member's Bible!

Mr. TUDOR.—No.

Mr. HUGHES.—Then why does the honorable member believe it? Is the honorable member prepared to follow the press on this occasion?

Mr. TUDOR.—The press has supported the right honorable gentleman, but it has never supported me.

Mr. HUGHES.—The press supported me!

Mr. TUDOR.—Yes.

Mr. HUGHES.—I would like to see the newspaper that has supported me.

Mr. TUDOR.—The right honorable gentleman has had more support from the press than I have ever had. We have been led to believe by the honorable member for Illawarra (Mr. Lamond) that there were to be six amendments in the agreement, and the Prime Minister hinted on Friday last that some amendments would be made. I am anxious to know in what way the measure is to be modified.

Mr. HECTOR LAMOND.—The honorable member will get it in *Hansard*.

Mr. TUDOR.—The *Hansard* number containing the Prime Minister's speech on Friday last will not be available until next Saturday, and I would like to have had a copy of the speech delivered by the Prime Minister on Friday last.

Mr. RICHARD FOSTER.—But the honorable member heard it.

Mr. TUDOR.—I am anxious to peruse the amended agreement, and I trust honorable members will meanwhile vote for the appointment of a Select Committee, as further information should be submitted before the Bill is considered in Committee. The particulars before us at present are not sufficient to warrant the Government entering into an agreement for such a lengthy period, and in view of all the circumstances it is desirable that further inquiry should be made before the House is asked to pass the Bill in its present form.

Mr. HUGHES (Bendigo—Prime Minister and Attorney-General) [4.54].—The honorable member for Yarra (Mr. Tudor) suggests by his motion a most unusual course, in order

that we may obtain further information. The honorable member said a good deal, but very little about the proposed Committee, still less concerning the sources from which it would get its information. Committees are like human beings, neither good nor bad; they move in their appointed way, but the Father of all decides. Where this Committee is to get its information from he did not tell us. But I, when speaking on the second reading on Friday, told him where he would get it, that is, from those who know all about it. Curiously enough, a volcanic eruption of activity has taken place during the last few days. Meetings have been held in the capital cities of the Commonwealth, traders have been brought together, and, with singular unanimity, resolutions have been passed asking for this same blessed thing, more information. Roses do not grow on thistles, nor do meetings of this sort take place without some moving force behind them. In this instance, it is easy to locate. Those companies which for many years have exercised a monopoly over this essential to our welfare, and which this cruel Government proposes to crush, have appealed to the great heart of the trading companies of Australia, who buy their oil from them and can buy it from nobody else, and these traders, between the devil and the deep sea, have rolled up and sent six-penny, and, in some cases, shilling, telegrams to honorable members of this Parliament, urging them, in the name of God, to stay their impious hands. When I heard the honorable member the other day—and this is the second time I have heard him—put up his plea for private enterprise, I was amazed. If I did not know the circumstances in which he finds himself, bereft of any argument, I should be appalled; but, as it is, I am merely amazed. He says, "You propose to crush these companies, without which the Allies would never have won the war. There would have been no toluene, and no explosives, and men would not have been shattered to atoms but for the philanthropic efforts of these companies." He admits that they are not in the business for their health. He says that the Anglo-Persian Company is not in the business for its health. But what has all that to do with the Bill? The alternative that presents itself to honorable members is whether, in regard to this

vitality necessary commodity—fuel oil and the other refined products of petrol—without which the Commonwealth *qua* Commonwealth is powerless, it is better that it should have some control over the price as well as an effective assurance of supplies, or whether we should go on and trust to the tender mercies of commercial companies who are domiciled in foreign countries. The honorable member has spoken very harshly to me this afternoon about my attitude towards foreign companies. He has suddenly developed a tenderness of heart towards the foreigner, that seems a trifle inconsistent, coming from the lips of a Protectionist who first taught me to slip from that narrow footpath of Free Trade upon which my infant feet were firmly placed. I remember in the bygone days, when I was a convinced Free Trader, the honorable member coming forward with an absolutely appalling proposal, amounting, in effect, to about 40 to 60 per cent. duty on hats. I have always liked the honorable member, and while, as a matter of principle, I was a convinced Free Trader, yet when he put these hats before me, I fell, and voted for his hats; I was prepared to crush at one fell blow the Austrian, the American, and the Englishman. What more could I have done to show that when it came to a choice between Australia and the rest of the world, I was for Australia? But now, when it is proposed to set up a refinery in this country to refine oil, the honorable member says "No. Let the Standard Oil Company and the Shell group flourish in America or Holland, or wherever they are located." The honorable member has no ground for his feet to stand on. Let me take his points, one by one. He wants more information? He does not want more information. His trouble is that he has too much. He knows the facts. What are they? These companies, ever since they came to Australia in the dawn of the petrol age, as I have termed it, have exploited it to the last penny. Not a trader in Australia dares to raise his voice against them. One trader wrote to me the other day, marking his letter "private and confidential," saying that he had been told to attend a meeting, and at that meeting everybody had to sign this protest, to which reference has been made. He signed it. He had to do so,

but he said, "I want to tell you that if you can get this agreement through, and the Anglo-Persian people are prepared to supply my wants, they can have my custom." This amazing activity of the companies throughout Australia against the Bill is the best argument why we should support it. We are asked to support an Australian industry, but the honorable member wants more time to support it. I have heard him get up, and advocate the establishment even of such an exotic industry as the manufacture of matches in this country. He never lacks an argument as to why an industry should be established and encouraged here, but when it comes to something that is vital to the very existence of the Commonwealth, he wants more information. I have seen a whole Tariff bundled through the House with less information. Honorable members will have an opportunity of displaying their amazing knowledge on a Tariff very shortly, and there will not be one item in it on which honorable members will not want more information than is required in regard to this agreement. The honorable member, leaving the safe and pleasant path of generalities in which a man may wander at will, incurring no ill consequences, has committed himself to a certain particular criticism of the Bill. He says, for example, that a monopoly will be established in this country. I have already said in the plainest possible terms that this will not be so, but he himself has said it in more emphatic terms this afternoon. He said that the point that struck him more than anything else in the speech of the honorable member for Flinders (Mr. Bruce) was that the amount of capital these people were to put into the industry, together with that put in by the Commonwealth, would be insufficient to create a monopoly, because it would not supply one-half of the capital necessary for that purpose. Furthermore, it has been observed by honorable members on both sides of the House that not one-half of the petrol, kerosene, and lubricating oil required in this country can be supplied under this proposal. Therefore, the Australian market will be open to the whole world. That is the first answer to the honorable member's statement. The world can enter upon as good terms as ever excepting that it will now have a competitor inside Aus-

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tralia, who, at any rate, will be some protection to us against that combined influence of commercialism outside to which we have been exposed so long. The honorable member also said something about freight. He affirmed that the Anglo-Persian Company will be able to make huge profits out of its freight charges, and he mentioned £1,200,000 in this connexion.

Mr. TUDOR.—That was the value of the crude oil at 6d. per gallon.

Mr. HUGHES.—Naturally the freight would be more than the value of the oil. The honorable member affirmed that the value of the crude oil is such that we cannot even bring it here and refine it locally. He said that we cannot even do that, because the raw material would be too expensive, and the freight would be too heavy. But he did not say one word about the freight upon refined products. Does he think that these gentlemen bring their refined oil products here for nothing, and distribute them to the people as a gift from God? He said that the Anglo-Persian Oil Company was charging £15 15s. per ton freight from somewhere in Persia to Great Britain. I do not know where he got his figures.

Mr. TUDOR.—From the report of the Petrol Commission.

Mr. HUGHES.—Anybody would think that the Petrol Commission was a competitor with the Almighty, and that we had to accept as gospel everything that it says. But it does not follow that what that Commission says is true.

Mr. McWILLIAMS.—Is the Prime Minister prepared to say that its report is not true?

Mr. HUGHES.—If I thought that it would interest the honorable member I would not mind doing so. As a matter of fact, the Anglo-Persian Oil Company carries its own oil, in its own steamers, and it consigns that oil to itself and to nobody else. It does not carry oil to Great Britain for anybody else; it does not carry any oil except in its own ships, and it carries no oil but its own. What benefit it derives from charging itself £15 15s. per ton freight upon that oil, I leave it to the honorable member to determine.

But this has no relevance whatever to the point under discussion. If the Anglo-Persian Company is likely to charge too much by way of freight, we may then get freight wherever we are able to procure it. The honorable member said that there are no vessels available to carry oil

from overseas. Then all I have to say is that we shall have to find oil in Papua. In the meantime we shall get oil at a reasonable rate, and freight at the world's rate. If we do not like the world's rate, we can get freight of our own. The honorable member stated that the Commonwealth will have no voice in the matter of the price at which oil will be sold here. I do not know why he said that in face of the amended schedule, which distinctly sets out that "The refinery company shall sell its oil products at such prices as are fair and reasonable."

Mr. TUDOR.—In what section of the agreement does that provision appear? I have not seen it.

Mr. HUGHES.—I have said that the Commonwealth will determine what is a fair and reasonable price. I do wish that those honorable members who are thirsting for information would, by their demeanour, exhibit more of those indications of a genuine desire for information.

Mr. McWILLIAMS.—You have not the information that we want.

Mr. HUGHES.—Pray do not let me interrupt you. These asides with which the honorable member is accustomed to enliven the dull, prosaic tenor of our debates are so very delightful, and help us so much to get on with the public business.

Mr. McWILLIAMS.—They are generally true, whereas the Prime Minister's statements are not.

Mr. HUGHES.—In the amended agreement it is laid down quite clearly that the Commonwealth will decide what price is fair and reasonable, and, after all, that is the thing which really concerns the people of this country.

Mr. TUDOR.—That provision is not contained in the agreement which has been handed to me.

Mr. HUGHES.—The honorable member made allusions, in a way that was very improper, to a meeting which took place upstairs. He is the last man in the world who ought to object to such meetings, because everything that he says and does is determined by what takes place at meetings held upstairs or downstairs.

Mr. TUDOR.—No. We meet on the ground floor.

Mr. HUGHES.—The honorable member will be down in the cellar if he goes on as he has been doing.

Mr. TUDOR.—That is not original. The late Sir George Reid said that about us.

Mr. HUGHES.—In speaking of a meeting at which he says this matter was discussed, the honorable member affirmed that certain alterations had been made in the agreement. He was annoyed that they had been made, because they cut the ground from under his feet; yet he now says that he cannot see them anywhere in the agreement. What am I to do to please him? When I make alterations in the agreement they do not suit him, and he cannot find them. The honorable member, in speaking of this bowelless combine, which in its utter disregard for foreign companies is going to crush them out of existence, rather overstepped the limits of accuracy, because it is set down in paragraph 14 of the bond that the protection to be given to the refinery company is contingent upon its selling oil at a fair and reasonable price. When it ceases to do that, the protection accorded to it wholly disappears. I wish that a similar provision could be applied to all kinds of protection—every item of the Tariff. I do not think there is one honorable member who would cast a vote against a proposal of that sort. When local manufacturers or traders, whoever they are, exploit or take advantage of the community under the protection given them, there ought to be some kind of punishment, and that is here provided for.

The Leader of the Opposition (Mr. Tudor) is very much concerned about Papua. He says he is not quite sure who owns the oil in that Possession. What has the agreement to do with the oil in Papua?

Mr. TUDOR.—Everything.

Mr. MATHEWS.—It has a great deal to do with the oil in Papua—it has all to do with it.

Mr. HUGHES.—How is that?

Mr. MATHEWS.—Because Dr. Wade and those associated with him could stop production there if they wanted to. Oh, I know!

Mr. HUGHES.—Let me advise the honorable member to retire into that cave of silence which he keeps with so much dignity and so much success. These outbursts into speech, in which the honorable gentleman is at once irrelevant, inaccurate, and not at all amusing, only

besmire his fair reputation. Despite the interjection, this agreement has nothing to do with Papua. However, I may say—because one has to deal with things as they are—that the oil in Papua belongs to the people of this country, and it is the intention of this Government that it shall always remain the property of the people of this country, to be sold neither to this refining company nor the Anglo-Persian Company, nor any individual whatsoever, but to be owned for ever as one of the vital necessities of the public and corporate activities of the Commonwealth. The price of crude oil is fixed under the amended schedule, and the price of the refined product is fixed, and both prices have to be fair and reasonable, with the Commonwealth as judge in both cases. Freights are to be supplied at our option, either by the Anglo-Persian Company or by whom we will.

The proposal that we should delay the passage of this measure in order that we may get more information fails; it must fail, because it is obviously a proposal emanating—though I do not suggest for a moment that that is why the honorable gentleman puts it forward—from those great interests which have too long dominated this country, and which see in the agreement a blow at their supremacy. What are the great points we have to decide? The first is, whether we shall have an Australian company or a foreign company here—whether we shall have oil refined in Australia or outside Australia, whether we shall give work to our own people or to the foreigner. The second point is, whether we shall have a company which, in its essence, is British, or one which, in its essence, is foreign; the third, whether we shall have a company which is not only British, but is also dominated and controlled by the British Government, as full partners with ourselves, or whether we shall still hand ourselves over, tied hand and foot, without any protection, to the foreigner; and the last point is, whether, since we have to depend on the Navy for defence, we shall take hold of this great opportunity to protect ourselves, and secure ample storage for crude oil around this coast. These are the four points on which honorable members are to form their judgment.

One word more, and I have done. It is said that the Anglo-Persian Company

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has already, in anticipation of this agreement, bought land at Fremantle.

Mr. TUDOR.—I know that the company has purchased land there; it has a site there and another at Port Melbourne.

Mr. HUGHES.—And the honorable gentleman, in order to support the statement, told us that he saw it in the newspapers.

Mr. TUDOR.—There is no doubt about the company having a site at Fremantle; they have applied for a Bill to the Western Australian Parliament.

Mr. HUGHES.—Anybody who wants greater proof than that would be difficult to please. However, let me explain the position. What has happened is this: I am told that the Anglo-Persian Company has made, or is making, arrangements for leasing land in this country. But that has nothing to do with this agreement. What is proposed is that there shall be storage for oil for the British Navy in certain parts, where the China Squadron, or any other, can oil if circumstances require. That is a very necessary thing, which is being done, not only here, but right throughout the Empire. That is the answer to the honorable member, and, I think, a good one. What we require is oil for our own Navy, and the chance to control supplies, control prices, and prevent the community from exploitation. We have ample information—as much information, at any rate, as we should be able to get from a Select Committee, which can hope for information only from one of two sources. We follow an admirable example—that of the British Government. The Leader of the Opposition said that the Commonwealth would be more concerned about getting profits than in reducing prices; but in the next breath he told us that the Geelong Woollen Mills sell cloth at a much lower price than do private firms. Those two statements, when put together, seem a trifle inconsistent. We are more likely to get oil at a reasonable rate when the Government has control.

Mr. MATHEWS.—How?

Mr. HUGHES.—The Leader of the Opposition said that we have only three directors, while the company has four. But the Commonwealth *qua* Commonwealth, and not the directors, will decide what is a fair and reasonable price.

Mr. TUDOR.—That is not in the copy of the agreement which I received.

Sir ROBERT BEST.—It is in the amended agreement.

Mr. CORSER.—It is in the copy of the agreement which I have, and I got mine off the table.

Mr. HUGHES.—If the Leader of the Opposition has not an amended copy, I am sorry; but it is not my fault. Clause 13A provides—

The refinery company shall sell its oil products at such prices as are fair and reasonable.

Honorable members have my assurance that the Commonwealth is to fix what is "fair and reasonable"; but, if that assurance is not sufficient, and if the insertion of the words "considered by the Commonwealth" is necessary, I would be prepared to put them in. I assure the House that the Solicitor-General and myself went into this matter very carefully, and we think that a fair interpretation of the contract means "fair and reasonable in the opinion of the Commonwealth." Still, I should be willing to make it read, "at such prices as are considered fair and reasonable by the Commonwealth."

Mr. MATHEWS.—Would that definition require a judgment of the High Court?

Mr. HUGHES.—No, because clause 22 provides—

In the event of any disagreement between the Commonwealth and the oil company as to the meaning of any clause hereof, or touching any matter arising out of the same or connected therewith (other than the purchase price to be paid by the Commonwealth for any interest or holding of the oil company in the refinery company), the matter in dispute shall be referred to one arbitrator mutually selected, or failing mutual selection shall be determined by arbitration under the Arbitration Act 1915 of the State of Victoria or any amendment thereof for the time being in force.

Mr. MATHEWS.—Then the Commonwealth will not settle the question, but the Arbitration Court will settle it?

Mr. HUGHES.—That has nothing to do with the Arbitration Court. It is a question of referring any point in dispute to an arbitrator. Time is the essence of the contract; we have much to do this week, and we must close at the end of the week. In all the circumstances, and in view of the statement which I have made, and which I think fairly covers the whole of the points—if it does not, I shall be glad to answer by way of inter-

jection any question that may be put—I ask the House to reject the proposal of the Leader of the Opposition, and to take the Bill into Committee forthwith.

Mr. SPEAKER.—As the honorable member for Maranoa (Mr. James Page), who signed the notice of motion as seconder, is now present, I ask him to second the motion formally, so that I may state it to the House.

Mr. JAMES PAGE.—I second the motion.

Question proposed.

Mr. McWILLIAMS (Franklin) [5.29].—The Prime Minister has stated that the choice is between an Australian company and a foreign company. To me it is nothing of the kind. To me, it is a question of the safety of the Commonwealth in making an agreement which will have a vital influence on perhaps one of the most important industries in the Commonwealth. The Prime Minister has shown by his remarks that he has not taken the trouble to read the one document where he can get information on this subject—I mean the report of the Petrol Commission, which dealt with these matters in Great Britain lately. For the honorable member to gibe at a Commission such as that is an insult to the intelligence of the House, and shows the depths to which some men will stoop in order to carry their way through the House. Is it fair to ask us to discuss an agreement which has been amended in caucus, and distributed in caucus, when the House has not had the information before it until now?

Mr. HECTOR LAMOND.—That is quite untrue.

Mr. McWILLIAMS.—The honorable member for Illawarra (Mr. Hector Lamond) has stated repeatedly, "Oh, that is provided for." When I asked him "Where?" he said, "In the amended schedule."

Mr. HECTOR LAMOND.—An atrocious misrepresentation!

Mr. McWILLIAMS.—I ask the honorable member and the House if it is fair, on an important matter like this, that an amended schedule making vital alterations in the Bill should be produced here by the Prime Minister, and discussed by him before honorable members have had an opportunity of seeing it?

Mr. JACKSON.—He told us all about it on the second reading.

Mr. McWILLIAMS.—When honorable members learn the rules of debate,

and the procedure of the House, they will find that principles should be discussed in the House, and that the details of those principles should be dealt with in Committee. We have been told of a clause which it is said affords the protection that some of us ask for. Clause 14 of the agreement, as amended—the only clause that I have seen in the new form—provides that where the Commonwealth believes that the company is charging an unfair price it may open the Customs House door, and allow competition. Competition from whom? From one of the greatest monopolies in the world. In spite of everything that has been said, the Anglo-Persian Oil Company does control the Refinery Company. It has a majority of four out of seven on the board of directors. Whilst the Commonwealth retains the majority of the shares, it can elect only its own three directors, while the other four, comprising the majority of the board, are elected by the company.

Mr. MAXWELL.—That is an argument against the second reading of the Bill, and not in favour of the appointment of a Select Committee.

Mr. McWILLIAMS.—I shall be glad if the honorable member will allow me to make my own speech in my own way. The Commonwealth Government has been fighting a Combine. If honorable members look up the speeches of the Prime Minister and the then Minister for the Navy (Mr. Poynton), they will see how bitterly they resented the attempt made by the Inchcape Shipping Combine to crush the Commonwealth line of steamers. Inchcape, who controls that Combine, is the man who represents the British Government on this Combine. The Inchcape combine entered into an alliance with the Morgan combine to control the shipping of the world. Who can say that the Anglo-Persian Oil Company, under the presidency of Lord Inchcape, will not enter into a similar combine here with the American oil companies to control the oil supplies of the world?

Sir JOSEPH COOK.—He is statutorily prevented from doing that.

Mr. McWILLIAMS.—You give the company a majority of four on the directorate, and say that if oil is not being sold by it at a fair and reasonable price, the door of the Customs House will be opened to admit competition. It is reasonable to argue that Lord Inchcape, who

has engineered in Great Britain a combine with an American shipping trust, may, in Australia, engineer another combine with the American Oil Trust. What conditions in the agreement would prevent him from doing that?

Sir JOSEPH COOK.—The conditions in the agreement with the parent company, and the conditions in this agreement, would prevent it. Lord Inchcape does not control the parent company. The honorable member holds him up as the controller of the whole concern, but he is not that.

Mr. McWILLIAMS.—The agreement with the parent company has no bearing on the question. The Petrol Commission has shown that the rate of freight—not that charged to the Anglo-Persian Oil Company, but that charged to the British Government—is £15 10s. We know, of course, that the oil is carried in tank steamers which cannot take return cargo, so that a profit has to be made out of vessels that travel one way empty.

Mr. SPEAKER.—I remind the House that the question before the Chair at the present time is that the Bill be referred to a Select Committee; but we are really having another second-reading debate, after the motion for the second reading of the Bill has been carried. Honorable members may not continue a discussion in the nature of a second-reading debate, nor may they refer to notices for the amendment of the schedule to the Bill, which have been distributed, and of which I have just received a copy. These cannot be discussed until the Bill gets into Committee. They do not come before the House at all.

Mr. McWILLIAMS.—You are more fortunate than I, Mr. Speaker, because I have not seen the notices of amendment to which you refer. I regret that you did not an hour ago make your discovery of the character of the debate, because I am replying to statements which fell from the Prime Minister.

Mr. SPEAKER.—The general purport of the Prime Minister's speech was an argument against the reference of the Bill to a Select Committee, on the ground that he had endeavoured to meet objections raised during the second-reading debate by drafting certain amendments which would be proposed in Committee, and incidentally, he referred to some of these amendments. But it would be improper to allow, at this stage, the discussion of those

amendments, they being purely matters for the Committee of the whole House to consider.

Mr. McWILLIAMS.—It is new to me to learn that a reply is not allowed to any statement that may have been permitted.

Mr. SPEAKER.—A certain amount of latitude is always given to a Minister in charge of a Bill in the explaining of its provisions, and when, during a debate, suggestions have been made for the improvement of a Bill, the Minister in charge of it is entitled to indicate what he proposes to do to meet those suggestions. That is what I understood the Prime Minister to do. He may have been led by interjections to go more fully into matters than he would otherwise have done; but it would certainly be irregular to allow now a general discussion on proposals which will properly come up for discussion in Committee of the whole House, and which can there be discussed in every detail.

Mr. WEST.—On a point of order—

Mr. SPEAKER.—No question of order arises out of a statement from the Chair.

Mr. WEST.—I merely wish to say that you are in error.

Mr. SPEAKER.—An honorable member may not canvass in that irregular way the decisions of the Chair.

Mr. McWILLIAMS.—I accept your ruling, Mr. Speaker. The statement of the Prime Minister that the only information that could be obtained by a Select Committee would be the evidence of interested parties is at variance with what I know. My object in pressing for a Select Committee is not to hear what may be said by the representatives of the American Oil Trust—if I were on the Committee I would not want them to be summoned—but to get the evidence of experts. This agreement has been drawn up, presumably, by the persons who drew up the shipping agreement, and other agreements under which the Commonwealth has been so unfortunate. In regard to all these agreements, the Commonwealth has been let down badly, and has lost, I think, most of the cases that it has entered into. It is not clear what the agreement means. If, as the Prime Minister has stated, the Commonwealth is to be the sole arbiter of the price at which oil shall be sold in Australia, the monopoly which some of us fear will be prevented; but there is a yet greater monopoly to fear. The extent to which this company will control

discoveries of oil in Australia and its Territories has not been made clear.

Sir JOSEPH COOK.—It will not control them at all. You have been told that half-a-dozen times.

Mr. McWILLIAMS.—I have discussed the matter with persons whom I regard as experts, and who, though not interested in this arrangement in any way, are distinctly favorable to it, and they say that the extent to which the company will dominate operations in Papua and German New Guinea is not clear. I think that it ought to be made clear.

Sir JOSEPH COOK.—The statement that some one, who is not named, but who is favorable to the Bill, is not clear about the effect of the agreement, does not carry us anywhere.

Mr. McWILLIAMS.—I have not the permission of the person whom I have in mind to give his name before the House; but I ask honorable members to remember that we are tying up the industry for fifteen years, and that an adequate supply of oil is essential, not only for city industries and pleasures, but also for rural occupations. I welcome the introduction of an oil refinery into Australia; but there are certain doubts in my mind which I wish to have cleared up. I do not wish to place our oil supplies in the hands of some foreign combine, especially in view of the fact that the Commonwealth is now fighting a shipping combine, which is trying its best to strangle our line of Government steamers, and whose chairman has entered into an alliance with the Morgan Shipping Combine of America to dominate the shipping of the world. As this man is also at the head of the concern with which it is proposed that we should enter into an agreement for the supply of oil, I dread the effect of his influence on our oil supplies. Lord Incheape controls the biggest combine in the world, the Shipping Combine that beat the American, British, and Australian Governments. It is now fighting our Commonwealth line of steamers, and causing them to come out here half empty. It is doing its best to prevent them from securing a ton of cargo. Therefore, it is our duty to see that the Commonwealth does not again enter into a contract fatal to its interests. I shall vote for sending the Bill to a Select Committee. No harm can be done by a short delay.

Sir JOSEPH COOK.—The honorable member has already voted to kill the Bill.

Mr. McWILLIAMS.—Rather than see the Bill pass in its present form, I would vote to kill it. It is in its present form that I must discuss it, because I have not seen any proposals for its amendment. I believe that, if passed as it stands, it would give a monopoly to the Anglo-Persian Oil Company. The operations of that company are not confined to Persia. It has interests in Mexico and other parts of the world.

Mr. NICHOLIS.—It is the tail end of the American Oil Trust.

Sir JOSEPH COOK.—Yes, say that. Anything goes.

Mr. HECTOR LAMOND.—I suppose that is why the American Oil Trust is fighting this company.

Mr. McWILLIAMS.—I am not aware that the American Oil Trust is fighting it.

Sir JOSEPH COOK.—I hope that the parent company is interested in oil deposits in various parts of the world.

Mr. McWILLIAMS.—I have given notice of an amendment which I hope will be accepted if the Bill is not sent to a Select Committee. I want to make it perfectly clear that there shall be no monopoly. Clause 14 of the Schedule means nothing. It provides for the opening of the door of the Customs House; but an arrangement may be made between the Oil Trusts to prevent competition. The amendments spoken of by the Prime Minister may remove some of the objections to the Bill, but the measure, as it stands, does not make clear the position of the Commonwealth and of the company in regard to discoveries in Papua and British New Guinea. So far as I can understand the whole of the operations in exploiting the oil resources of Papua are to be handed over to this company.

Sir JOSEPH COOK.—No; not under this agreement.

Mr. McWILLIAMS.—The Minister for the Navy (Sir Joseph Cook) has said that the previous agreement will prevent that, but when I asked him whether the two agreements were to be taken together he said that they were. There really can be no doubt that the two agreements must be taken together, and that the

other agreement is incorporated with that now under consideration.

Sir JOSEPH COOK.—Certainly not.

Mr. McWILLIAMS.—Then I ask the right honorable gentleman to say who will carry out the oil exploring operations in New Guinea under this agreement.

Sir JOSEPH COOK.—This company.

Mr. McWILLIAMS.—Of course it will. That is what I said, but the Minister for the Navy contradicted me.

Sir JOSEPH COOK.—But solely as our agents, and with not one-fourth proprietary interest in the concern.

Mr. JAMES PAGE.—They can do practically what they like.

Sir JOSEPH COOK.—They cannot do what they like.

Mr. McWILLIAMS.—It means, in plain English that the Commonwealth Government and the British Government are subscribing each a certain amount of money, which is handed over to this company.

Sir JOSEPH COOK.—It is not handed over to this company. Again the honorable member is wrong.

Mr. HECTOR LAMOND.—It is a pity the honorable member has not read the agreement.

Mr. McWILLIAMS.—I have read it very carefully.

Sir JOSEPH COOK.—All payments under this arrangement will be made by the British Government.

Mr. McWILLIAMS.—Is that not exactly what I have said? The British Government and the Australian Government have entered into a partnership under which each is to expend a certain amount of money in boring and exploring for oil in Papua. The Minister for the Navy says that it is not true that we have handed over to the Anglo-Persian Oil Company the expenditure of this money, but that the British Government will hand over its expenditure to that company. What is the difference?

Sir JOSEPH COOK.—That is not so.

Mr. McWILLIAMS.—The Prime Minister said that we know nothing about oil, and that these people are experts, and that it will be to our advantage that they should carry out these operations. The Minister for the Navy now tells us that they are not to do so.

Sir JOSEPH COOK.—I did not say anything of the kind. I said that they were

agents of the British Government and of the Commonwealth Government.

Mr. McWILLIAMS.—Lord Melbourne on one occasion, when a Cabinet meeting of which he was leader was about to break up, said, "Well, it does not matter a hang what we agree to, but let us all say the same thing." I advise the Minister for the Navy that it would be well if all the members of the Government said the same thing in connexion with this Bill.

Sir JOSEPH COOK.—And I advise the honorable member to read the agreement.

Mr. McWILLIAMS.—Honestly, I do not think the Minister for the Navy can have read it. I have read it very carefully over and over again.

Sir JOSEPH COOK.—The honorable member has read the agreement with only one idea, in his mind, and that was to find every fault he could with it. That is perfectly plain.

Mr. McWILLIAMS.—It would be very much better if the right honorable gentleman would keep his temper. I repeat now that under the two agreements the whole of the operations that are to be carried out for the development of the oil resources of New Guinea are to be handed over to this company, and I have the strongest objection to its *personnel*. I say here and now that the great reason for my doubts in connexion with the company is the fact that that master of Truists, Lord Inchcape, is associated with it. I shall vote to have the Bill referred to a Select Committee.

Mr. MATHEWS (Melbourne Ports) [5.57].—I am sorry that you, sir, have ruled that the amended schedule to the Bill cannot be discussed on the motion to refer the measure to a Select Committee, because the airy fairy pictures painted by the Prime Minister (Mr. Hughes), when he informed me that it would be better for me to remain silent, were based upon his statement that I had not read the amended schedule. I had not seen it at the time, and the basis of all the ridiculous pictures which the Prime Minister drew was that we had not seen the amended schedule. I thoroughly understand the reason for the ruling that has been given, but it is a pity that because of it honorable members who desire to refer to the statements made by the Prime Minister should be unable to do so. For three quarters of an hour the right honorable gentleman laboured in

ridiculing those opposed to him because they did not know what was contained in the amended schedule.

Mr. SPEAKER.—The Prime Minister did not refer to the amended schedule in detail.

Mr. MATHEWS.—When I made an interjection, which I admit was unruly, the Prime Minister ridiculed my statement, and proved that I was wrong by a reference to the amended schedule.

Mr. SPEAKER.—I had not the amended schedule before me at the time.

Mr. MATHEWS.—There has been some reference to the agreement having been referred to the Ministerial Caucus. I make no complaint about that. The Government found that some honorable members opposite were slipping away from them, and they were justified in trying, in Caucus, to secure a majority in favour of their proposal. The Prime Minister became eloquent in his appeal to Protectionists to support the agreement, and, pointing to the Leader of the Opposition (Mr. Tudor), he said that, while that honorable gentleman was in favour of Protection for hats, matches, and other things manufactured in Australia, he was apparently slipping on the question of Protection for kerosene. I suppose that there is not an honorable member on either side of the House who is not in favour of the production and refining of oil in Australia.

As a reason for referring the Bill to a Select Committee, I may mention the fact that the Government have themselves recognised that the schedule, as originally introduced, was not what it ought to be. If the Bill had been referred to a Select Committee, it would have been shown that alterations were necessary. I think it can be shown that there is still much in the agreement which should be altered. I see no reason why, if a Select Committee considered the measure, they should not be able to submit an agreement in accordance with Australian policy which would be accepted unanimously by this House. We have been told that we have been tied for years to an overseas and foreign monopoly, and we should prefer a so-called British and Australian monopoly; but there is one matter in connexion with this proposal which should be inquired into if a Committee were appointed to do nothing else. I have been assured, and have been given strong evidence in support of the assurance, that the crude oil supplied by the

Anglo-Persian Company is very inferior. The proposed Select Committee would be able to define whether there is any foundation for that statement.

Sir JOSEPH COOK.—It is good enough for the British people and for the British Navy.

Mr. TUDOR.—The British Government do not get one-fifth of their supplies from the Anglo-Persian Company.

Mr. MATHEWS.—The British Government made certain arrangements during the war for certain purposes, which might not be considered reasonable arrangements to make now. The British Government have interests in this matter, and I am glad to find them seeking an interest in productions required by the people. I am assured that the crude oil produced by the Anglo-Persian Company is inferior, and that there is a greater loss in refining it than in the case of any other oil. I do not claim to be able to say what is the value of either crude or refined oil, but I do think that we should inquire into the assertion that the crude oil supplied by the Anglo-Persian Company is inferior in quality, and that from an economical stand-point it would not be beneficial to the people of Australia to use it. We should not lose sight of the fact that some of the people who have put their money into the Anglo-Persian Company have not shown themselves to be friends of the Commonwealth. Having control of the directorate in the matter of administration they will direct operations under the agreement.

Sir JOSEPH COOK.—The honorable member has heard that the crude oil produced by the Anglo-Persian Company is inferior, and we have heard that it is one of the best oils produced in the whole world.

Mr. MATHEWS.—The Minister for the Navy has said that the oil produced by this company is good enough for the British Government, but as the honorable member for Yarra (Mr. Tudor) reminded him, they do not supply one-fifth of the demand for oil made by the British Government. I see no exceptional hurry for passing the Bill. I can assure the Minister for the Navy that we are quite willing on this side to assist the Government to fight the Standard Oil Trust, or any other Trust, but we ought to be assured that in doing so we shall

not be handed over to a combination that may be quite as bad, if not worse.

In his endeavour to ridicule honorable members on this side, the Prime Minister pointed to the fact that under the amended schedule a "fair and reasonable" price for oil would be fixed by the Commonwealth. I have not been a member of this House for thirteen or fourteen years without knowing that the phrase used is about as vague as it could possibly be. From time to time we have had Bills under consideration in this Chamber, which we have been assured would stand the test in any Court, but the High Court has subsequently driven the proverbial coach and four through them. Under the schedule to this Bill, we may have to go to the High Court every now and again to find out what is a "fair and reasonable" price, and to find out whether fixed "by the Commonwealth" means by this Parliament or by the Ministry. I know that if the directors of the Anglo-Persian Company have anything to do with the matter the price will be a fair and reasonable one for them, and not for the people of Australia. What is to be a "fair and reasonable" price for this oil will have to be more clearly defined before the proposal will suit me.

The Minister for the Navy has said that this agreement has nothing whatever to do with the exploitation of the oil fields of Papua. When the Prime Minister was dealing with this subject, I made an interjection referring to Dr. Wade's connexion with the oil fields in Papua. I have not a word to say against that very estimable gentleman, but in view of the number of years during which he has been associated with the production of oil and with the Anglo-Persian Company—and that does not make him any the worse—and the fact that he has been in Papua for, I think, about three years, he should now be able to give us some very definite information concerning the prospect of the discovery of oil in payable quantities in Papua.

Mr. BAMFORD.—Dr. Wade was in Papua for, I think, six or seven years.

Mr. MATHEWS.—I did not understand that he had been there so long. If he is the scientist he is supposed to be, he ought at this stage to be able to give us that information.

Mr. BAMFORD.—He is a very eminent geologist.

Mr. MATHEWS.—Then by this time he should be able to express a definite opinion as to the probability of the production of oil in Papua. If he cannot do so, he is not the man who is wanted. I shall not approve of the Anglo-Persian Company having any control whatever of those appointed to investigate the possibilities of Papua for the production of oil. If we could appoint some one outside to go into the matter I would be quite satisfied, because under this agreement the Anglo-Persian Oil Company's crude oil will be used until we are in a position to refine our own crude supplies, drawn either from the mainland of Australia or from the Territories. I wish to help the Government in the production of oil in Australia, but if that cannot be brought about at once I want to assist in the matter of securing refineries here. However, we should have all the evidence concerning the suitability of the product and the economic possibilities of refining in Australia before we bind ourselves hand and foot for fifteen years. We know Lord Incheape as a gentleman who is in business for the "quids" he can get out of it; and even though he represents the Imperial Government that should not entirely disarm this Government. Indeed, the Imperial authorities were indiscreet in placing upon the directorate as one of their representatives a gentleman having such interests, and we would be indiscreet, also, if we were to accept Lord Incheape in the character of a guardian of our interests, seeing that at the same time he is doing his utmost to break up another Australian enterprise, namely, our shipping. A Select Committee should particularly inquire into three things—into Lord Incheape's association with the Anglo-Persian Oil Company; into the matter of the inferiority of their crude oil; and with respect to who shall fix a fair and reasonable price. We are entitled to, and should see that we secure all that information, despite the ridiculous criticisms of the Prime Minister.

Mr. BAMFORD (Herbert) [6.8].—I rise not to criticise the Bill—because I think the agreement is a good one—but to make a statement which is rather in the nature of a personal explanation. I de-

sire to make clear my own connexion with exploration for oil in Papua. When, in 1916, I was appointed Minister for External Affairs—the Department is now known as that of Home and Territories—one of the first matters to which I directed my attention had to do with prospecting for oil in Papua. There had been a great deal of dissatisfaction concerning these activities, and I, personally, shared in that dissatisfaction. The fact is that the position of the Commonwealth in respect to oil investigations has been unfortunate. When I made my first inquiries I discovered that up to that stage we had expended about £60,000 in exploration work, with a return of about 2,000 gallons of oil. That was very poor, of course; but at least it indicated that there was oil in Papua, although it did not determine whether or not it was there in payable quantities. It was still considered that scientific and practical investigations might discover payable deposits. Soon after I had assumed office the representatives of two separate syndicates waited upon me to ascertain whether private enterprise would be allowed to prospect for oil in Papua. So far as I was concerned, I said "Yes." One of these gentlemen represented a Californian company, and the other a local syndicate. Both concerns were apparently in a position to conduct exploration work on a practical basis. I went into the matter very thoroughly, and formulated a scheme which provided for the prospecting to be undertaken in such a way as to secure the Commonwealth Government in every conceivable direction. The information at my disposal was insufficient for me to know whether the oil was likely to be struck in the form of a continuous stream, or lode, or in reservoirs. In either case, however, I had arranged that there should be areas of 5 square miles allotted, and that every alternate area should be held by the Commonwealth Government, so that we would be protected, no matter whether the oil was discovered in lode formation—that is to say, in a continuous canal—or in subterranean reservoirs. I set forth that the Commonwealth should have first call upon all oil produced, and that the price should not exceed 3d. per gallon, which would amount to about 10s. per barrel on the basis of 40 gallons to the barrel; also that the company should build such wharfs as might be necessary, and should lay a pipe line

from the source of oil supply to the wharfs on the coast; further, that it should find its own tank steamers. The representatives of the syndicates were quite willing to accept all that I had laid down, and all this was to be done without cost in any way to the Government. I then wrote to the Legislative Council in Papua, submitting my proposition, and asking for concurrence. I was informed, however, that that body could not concur, that it would not agree to my proposition, because, if the field were developed by private enterprise, the labour engaged thereon would be drawn from the rubber and cocoanut plantations, so that the latter would be left shorthanded. I responded that no matter by whom the oil-field was developed the same conditions would arise, providing prospecting proved to be successful. From all appearances, then, the curtain was rising on what promised to be a successful commercial drama; but soon there followed the tragedy. Before I had received a reply to my second letter to the Legislative Council in Papua I had departed from office. Nothing further, so far as I could ascertain, was done; and that was three years ago last February. Had my project been given effect to, the oil industry in Papua might have been flourishing to-day. Of course, I want to make it clear that I could not have over-ridden the dictum of the Papuan Council without the sanction of the Commonwealth Cabinet, and that up to that stage I had submitted nothing to my colleagues, because I desired first to have all the facts marshalled in order that Cabinet might be in a position to accept or reject a complete and definite project. As I say, nothing more was done after my retirement. I have often wondered why, and have come to the conclusion that—perhaps, notwithstanding his wonderful versatility, and despite his numerous speeches and voluminous writings—the subject of boring for oil was never once mentioned or described by Edmund Burke. That is the only reason that I can attribute for the failure of my successor in office to go on with the Papuan oil project. Had it been proceeded with, this agreement might never have been called for. Three years ago we were in dire need of oil, and it is not impossible that to-day we might have been floating prosperously along a stream of oil emanating from our

Mr. Bamford.

own Papuan fields. Wherefore, there would have been no necessity to enter into an agreement with any outside organization.

I have nothing to say against Dr. Wade in respect of his scientific attainments, but I cannot help feeling that scientific attainments and practical knowledge are seldom found together. I say this in justification of my actions in endeavouring to develop and open up the Papuan oil fields. I regret that even the Prime Minister, with all his political omniscience, has never been able to recognise a real hustler when he has met him.

Mr. AUSTIN CHAPMAN (Eden-Monaro) [6.19].—I am always opposed to monopolies; but it seems that every precaution has been taken in this instance against the establishment of a monopoly. In the matter of Australia's oil interests, there is something actually more dangerous than the creation of a monopoly; that is the factor of delay. What does the reference to a Select Committee mean? Many honorable members have had experience of such inquiries. After all, the Prime Minister appears to have met the objections of those who are appealing for the appointment of a Committee. How can there be a monopoly when the Prime Minister has promised to insert a clause which will insure that the Commonwealth authorities shall fix the price? And the proposed amendment of the honorable member for Franklin (Mr. McWilliams) is of a character calculated to doubly safeguard the position. The Prime Minister has told us that prospecting is not to be prevented.

Mr. CORSER.—The Government are encouraging prospecting by the reward.

Mr. AUSTIN CHAPMAN.—The motion by the honorable member for Yarra (Mr. Tudor) seeks to elicit further information by having the agreement referred to a Select Committee. But who will give this information? It must be obtained either from those who support the Anglo-Persian Oil Company or those whose ideas are directly opposed to that concern. The inquiry, therefore, will simply mean further delay.

Mr. WEST.—But after evidence has been taken, members of the Select Committee must use their brains to come to a decision.

Mr. AUSTIN CHAPMAN.—It is necessary first to have the brains before

they can be used. I am opposed to the motion to refer the Bill to a Select Committee, because it is of vital importance that this great question of discovering oil should be settled as soon as possible. We must find oil deposits in the Commonwealth territory. It is almost criminal on the part of honorable members to take any action, either here or elsewhere, that will lead to delay. No sound reason has been advanced to justify the appointment of a Select Committee to inquire into this matter. We now have all the safeguards that are necessary, for this afternoon the Prime Minister (Mr. Hughes) told the Leader of the Country party (Mr. McWilliams) that if he were not satisfied with the Ministerial interpretation of the clause relating to the price to be fixed for crude oil—and the Prime Minister's interpretation is backed up by the opinion of Sir Robert Garran, who does not make many mistakes—then the Government are willing that the clause shall definitely state that the Commonwealth shall fix the price. What more can we ask? And is it not better to be associated with a company that belongs to the Empire?

MR. NICHOLLS.—Why does not the Commonwealth Government take entire control of the whole business?

MR. AUSTIN CHAPMAN.—We know what happens when Governments go into ventures of this kind. We have been fooling about in Papua for a long time without any definite results. We want experts, and we cannot expect people like those connected with the Anglo-Persian Oil Company to go into this business for the good of their health. They want to establish a commercial concern. The history of the company shows that it is comprised of men who understand the business, and, as I have just said, it belongs to the Empire. Consequently it is inexpedient to do anything that is likely to lead to delay. The appointment of a Select Committee would mean delay, and for that reason I intend to support the Government.

MR. WEST (East Sydney) [6.24].—I listened attentively to the Prime Minister (Mr. Hughes) this afternoon, and came to the conclusion that he was entirely governed by sentiment, due, no doubt, to the fact that for the last four or five years sentiment has entered so largely into all Government undertakings. But the time for that sort of thing

has passed. Our financial position is such that sentimental considerations must be put on one side. We must endeavour to do something practical. The Leader of the Opposition (Mr. Tudor) has moved to refer the Bill to a Select Committee, for the purpose of eliciting further information with regard to the agreement, and during the debate this afternoon, by a marvellous piece of conjuring, the amended schedule was placed in honorable members' hands. I was so surprised and annoyed that in speaking plainly I gave utterance to words at which you, Mr. Speaker, took offence. It is not in my nature to insult anybody, but I think the circumstances warranted a strong statement. I am informed, on credible authority, that the Anglo-Persian Oil Company's crude oil is not a first-class article, or at least that there is better. And, moreover, I believe that the Anglo-Persian Company draw their chief supply from wells that are not under the protection of the British flag, as it is possible that foreign Governments may be in a position to place an embargo on the output.

MR. MARR.—What country do you refer to?

MR. WEST.—I refer to Russia, for one. Those who are interested in this matter have written to me on the subject, and in interviews with me have made statements which, I think, warrant honorable members in giving more mature consideration to this agreement before it is ratified. I can understand the Prime Minister's confidence because of the environment in which he has moved in Great Britain during recent years. But he appears to have lost sight of the fact that he is now in Australia, and that we are dealing with what is purely an Australian matter. If this agreement is heaven-born, then not much harm can be done if it is scrutinized by members of a Select Committee, to make sure that it contains nothing that is likely to be detrimental to Australian interests. I do not know whether members realize their position as representatives of the people. I regard myself as a trustee of the public interests, and as such I want to make sure that this agreement is quite in order before I attach my signature—for I regard my vote as my signature—in ratification of it.

Sitting suspended from 6.30 to 8 p.m.

Mr. WEST.—When dealing with the question of the freight on the oil from the wells to the refinery, the Prime Minister, in reply, to an interjection made by the Leader of the Country party (Mr. McWilliams), said that under the agreement the rates must be fair and reasonable. The determination of what is a fair and reasonable rate to charge for anything depends upon whether one is a buyer or a seller. We ought to have more information on this subject. If the company fixed upon exorbitant freights, it seems to me that under this agreement we could not object to them, and that the Government would be powerless to take action if it were dissatisfied with the way in which the oil was shipped to the refinery. It is all very well to say that we could use our own steamers, but the wells from which the oil is at present being obtained are in other countries over which we have no control, and we might not be permitted to use our own vessels.

The schedule to the Bill is so full of anomalies that it might well be described as "A Schedule of Anomalies for the most part Telling against Australia." We ought to exercise the greatest caution in accepting an agreement involving, as this does, a gigantic financial deal and binding us down for fifteen years. We have no idea what Australia's future oil supplies may be. The whole position is so uncertain that there ought to be no hostility to the proposal to appoint a Select Committee to ascertain who are the moving spirits in this enterprise, and whether a better agreement could not be drafted. If these oil people are the monuments of perfection they claim to be, and are so anxious to help Australia, they have nothing to fear from the appointment of a Select Committee.

I received this morning the following telegram from Sydney:—

At meeting of New South Wales oil trade held Sydney to-day, following resolution passed:—"In view far-reaching effects of proposed agreement between Commonwealth Government and Anglo-Persian Oil Company, the oil trade—some thirty firms—urges upon members the necessity of the matter being referred to Select Committee of the House for further serious inquiry on behalf of the oil trade."

Sir GRANVILLE RYRIE.—We have all received a copy of that telegram. The Standard Oil and Shell companies are responsible for it.

Mr. WEST.—I represent the most important constituency in the metropolis of Sydney, where this meeting was held. The people concerned are citizens of repute, and are surely deserving of some consideration. They are evidently dissatisfied with the agreement, and do not approve of the Commonwealth binding itself in this way for fifteen years. The original agreement, as brought before the House, was found to be so dangerous that a caucus meeting of Ministerial supporters was held, and drew the attention of the Government to certain defects in it, with the result that a further agreement was drawn up and put before the House in some mysterious way. In business phraseology, it seems to be suggested that the Government have "fallen into a trap." The Prime Minister this afternoon indulged in a flood of eloquence—

Mr. MAXWELL.—Was it oily eloquence?

Mr. WEST.—He seemed to be steeped in oil. He has become so elastic and pliable as the result of the company he kept while in England, that one wonders whether he is really W. M. Hughes, Prime Minister of Australia, or quite another man. The right honorable gentleman adduced no argument in favour of the ratification of the agreement. In effect, what he said was that, as Lord Inchcape, the Duke of So-and-so, and several others were connected with the Anglo-Persian Oil Company, and they were such jolly good fellows, we ought to sign the agreement. I hope that honorable members will not be influenced by sentimental considerations, but will deal as practical business men with this question, which is deserving of the best that is in them.

The Prime Minister, in supporting the agreement this afternoon, suggested that it was loaded with benefits for the Commonwealth, and in his enthusiasm he waved his arms as wildly as if he were conducting a musical entertainment. I hope that the House will recognise the wisdom of sending the whole matter to a Select Committee for inquiry. If that is done, and the Committee recommends the ratification of the agreement, no one will be better pleased than I shall be. My own belief is that inquiry will show that it should not be adopted in its present form. We are the custodians of the public purse, and should be watchful of the people's interests. If any honorable member were asked to sign a contract for

the sale of his house, he would seek advice before doing it. Yet we find some honorable members prepared, without any inquiry whatever, to approve of an agreement involving a commodity that is the bread and butter of industrial life. I hope that my appeal will not be in vain. The proposed inquiry would not occupy much time. It would be unnecessary for the Committee to go to the United States of America to prosecute its investigations. It would simply examine the agreement with the object of ascertaining whether it was in the best interests of Australia, and would inquire as to who were concerned in the enterprise. We want to know if this agreement will be a benefit, not to a few individuals, but to the nation as a whole.

Mr. NICHOLLS (Macquarie) [8.12].—I should very much like this agreement to be referred to a Select Committee empowered to make the fullest investigations. The Prime Minister (Mr. Hughes) stated that the Government would have to continue the policy of assisting and developing the Australian shale oil industry. I fear, however, that by the establishment of this enterprise we shall practically extinguish the whole of the shale oil companies now operating in Australia. The Prime Minister contends that the agreement will not interfere with them in the slightest degree. There does not, however, seem to be any reason for rushing this agreement through the House. If it were referred to a Select Committee that Committee could make the fullest inquiries in regard to our present shale oil industries, and also as to the *personnel* of the Anglo-Persian Company. I have not had time to carefully consider the whole schedule to the Bill, but I have perused it, and can find in it no provision for empowering a private company to establish oil refineries here and to import its crude oil free of duty. If any other private company established refineries here, and attempted to import crude oil, it would thus be crushed out of existence by this monopoly. That appears to be the stumbling block to the ratification of the agreement. If the Government are anxious that Australia shall have an adequate supply of crude oil, it has an excellent opportunity to develop the oil-fields of the Commonwealth. There is now in operation in

New South Wales a company with 250 square miles of undeveloped oil shale country. The shale is positively the richest in the world. One ton of shale will produce something like 102 gallons of crude oil. The honorable member for Robertson (Mr. Fleming) should be familiar with the territory to which I am referring.

Mr. MAXWELL.—Notwithstanding the fact that the company has received a bonus, the quantity of shale oil produced has been infinitesimal.

Mr. NICHOLLS.—I am prepared to admit that, but it must be remembered that the corporation has only now reached the stage when it is in a position to produce. If the honorable member will read the history of the Commonwealth Oil Corporation, the works of which are at Newnes, he will find that approximately £1,250,000 has been spent on plant and railways. When the deposits there were first opened up, the company was not in a position to treat crude oil, and it was not until after a period of four or five years had elapsed, when Mr. John Fell took control, and when experimental retorts were erected, that the venture began to make any progress. To-day the industry is in a position to compete with other industries of a similar character.

Mr. MAXWELL.—This agreement is to cover only one-half of the requirements of the Commonwealth, and other companies will be in a position to supply the balance.

Mr. NICHOLLS.—There would be plenty of scope for the Commonwealth Oil Corporation to continue its operations under ordinary circumstances; but the Government are assisting a private company in such a way that competition by outside companies will be prevented.

Mr. MAXWELL.—This is not a monopoly, because only one-half of the needs of the Commonwealth are to be supplied by the company.

Mr. NICHOLLS.—To me it is a monopoly, as the provisions of this agreement will be detrimental to other such industries at present operating in Australia.

Mr. BLUNDELL.—If it is a monopoly it is a Government monopoly, as they hold a majority of the shares.

Mr. NICHOLLS.—If it were a Government monopoly I would not be

opposing it very strongly. If the Government are anxious to establish industries in Australia, I am prepared to assist; but we should see that such industries are under their control, and not in the hands of private companies.

The honorable member for Adelaide (Mr. Blundell) stated that this was a Government monopoly; but, according to the agreement, the refinery company is to have a capital of £500,000 in shares of £1 each, of which 250,001 will be allotted to the Commonwealth, 249,996 shall be allotted to the company, and nominees of the oil company shall be allotted three shares in the refinery company. The company will therefore hold two shares less than the Government, which means that the Government, with the assistance of the Anglo-Persian Oil Company, will control this monopoly.

Mr. BLUNDELL.—The Government, if they desire, can control the company.

Mr. NICHOLLS.—Supposing that the company commences refining operations, is there any guarantee that sufficient supplies of crude oil will be forthcoming from Persia or Papua to keep the refinery in operation?

Mr. ATKINSON.—That is the company's lookout.

Mr. NICHOLLS.—But the Government are subscribing £250,000, and this company is experimenting at the expense of the taxpayers of Australia. Doubtless, it will make an attempt to develop our oil fields, but if supplies are not available, the company will allow the Government to shoulder the whole responsibility.

If the Government are genuinely desirous of developing our oil resources, why do they not commence at home? There is ample scope for developmental work, particularly in connexion with our shale oil deposits, which, if properly worked, would enable us to obtain supplies for the requirements of the Navy at the same price as the Anglo-Persian Company will be able to supply it. For some time, I have taken a considerable interest in the operations of the British-Australian Corporation, and I do not want to see anything done that will be detrimental to its interests, because I know the shareholders of that concern have expended an enormous sum of money in developmental work. I am not particularly concerned in the shareholders'

interests, but I do not want to see development retarded in such a way that it will result in men being thrown out of employment. The greatest obstacle in connexion with this proposal is that if any other refinery were to start, there is a possibility of the Government refusing to allow it to obtain crude oil from abroad.

Mr. MAXWELL.—The Government would not do that.

Mr. NICHOLLS.—They may do it.

Mr. MAXWELL.—Under this agreement, the Government will be supplied with only one-half of their requirements, and we must obtain the balance elsewhere.

Mr. NICHOLLS.—Supposing that another industry such as this was started in Australia, would the Government allow that industry to import crude oil, free of duty, and refine it under the same conditions as the Anglo-Persian Oil Company?

Mr. MAXWELL.—There is nothing to stop it.

Mr. GREGORY.—Has the honorable member read paragraph c of clause 14 of the agreement?

Mr. NICHOLLS.—That paragraph reads: "The Commonwealth will cause to be introduced into the Parliament of the Commonwealth"—

Mr. SPEAKER (Hon. W. Elliot Johnson).—Order! The honorable member cannot go into that question on this motion.

Mr. NICHOLLS.—My contention is that a private company will not be allowed to compete against the Anglo-Persian Oil Company. The question of freights is also a very serious one, and must be closely considered.

The honorable member for Eden-Monaro (Mr. Chapman) said there was no necessity to pass the Bill with undue haste, and I agree that no arguments have been advanced to justify the measure being disposed of in this manner. There is every reason why the whole question should be referred to a Select Committee for the strictest investigation.

Mr. CORSER.—Where would such a Committee obtain its information?

Mr. NICHOLLS.—Honorable members are not expected to be oil experts, although there may be some who profess to have expert knowledge of the question. If honorable members have not a full

knowledge of this intricate question, it is only right we should obtain information from outside sources.

Mr. ATKINSON.—From whom does the honorable member suggest that information should be obtained?

Mr. NICHOLLS.—I do not know of any oil experts in Australia, but I know of one who is closely associated with the oil industry.

Mr. BLUNDELL.—Perhaps he is the person who despatched telegrams to honorable members.

Mr. FENTON.—The telegrams may have been sent by persons interested in the shale oil industry.

Mr. NICHOLLS.—The interests of the shale oil industry should not be overlooked, as there are large undeveloped areas of shale oil country in Australia.

Mr. MAXWELL.—Where?

Mr. NICHOLLS.—I have already explained that there are 250 square miles of oil-bearing country, where the shale extends from 15 inches to 4 feet in depth, and returns 102 gallons per ton, where £1,250,000 has been spent.

Mr. BLUNDELL.—Is it not a payable proposition?

Mr. NICHOLLS.—I have already stated that the industry is about to be placed upon a paying basis, and if the Anglo-Persian Oil Company is given a monopoly, those who have been prospecting for sixty years will not have any hope of success.

Mr. BELL.—Cannot its products compete with the oil to be refined by the Anglo-Persian Oil Company?

Mr. NICHOLLS.—There is every possibility of the industry ceasing to exist.

Mr. MAXWELL.—Why?

Mr. NICHOLLS.—Because there will be no encouragement for it to continue, and, after spending £1,250,000, the Commonwealth Oil Corporation and its interests will be thrown to the four winds of heaven.

I do not wish to labour the question, but I am anxious that careful consideration shall be given to the whole matter, as it is an important proposal, and one that should not be disposed of in a hurried manner. I venture to say that not 2 per cent. of the members of this Chamber have had time to thoroughly peruse the agreement embodied in the Bill, and it is for that reason I am anxious that the whole question

shall be referred to a Committee of inquiry. If the industry is to be established, let the Government undertake the whole responsibility and invest the money they contemplate spending in developing the oil fields at Newnes, where there is an abundance of oil.

Mr. GREGORY (Dampier) [8.29].—I cannot agree with the statement made by the honorable member for Macquarie (Mr. Nicholls) that honorable members have not had time to peruse the agreement. But I agree with him that it might be here for a very long time, and yet many of us would not fully grasp the meaning of its contents, or what it may lead to. It is an extremely intricate document, and I fail to understand the need for urgency, or the occasion for the fulminations of the Prime Minister (Mr. Hughes) this afternoon when he seemed to assume that there was something wrong in the attitude of honorable members who urge that the Bill should be sent to a Select Committee. In this House we have passed various kinds of legislation, and we have heard many statements made that would not stand the light of day. We are now dealing with a very important agreement, and I defy half-a-dozen honorable members to say honestly that they have fully grasped its contents. It deals with something entirely new. None of us have had any knowledge of oil refining. Can it be contended that the Leader of the Opposition (Mr. Tudor) or any honorable member is urging anything on the House in the interests of the Standard Oil Corporation or people dealing in oil? The charge of the Prime Minister in that regard was a monstrous one; it was, as I felt, an imputation against those who, when something novel is brought into the chamber, have a perfect right to be fully satisfied that they grasp its contents, and thoroughly understand what they are giving away. I cannot understand the urgency for the establishment of a refinery. We are told there is to be a bonus of £50,000 for the discovery of oil in Australia. But there is no need to give a bonus. The men who discover oil in Australia will make a fortune. An honorable member was discussing the question with me a little while ago, and insisted that the Anglo-Persian Oil Company's association with the Government in boring for oil in Papua was part and parcel of this agreement. It only shows how

little honorable members know of the matter. The Anglo-Persian Oil Company are simply acting as agents of the Commonwealth in boring for oil in Papua, and that arrangement has no connexion with the Bill before the House.

Mr. MAXWELL.—A Select Committee would not be required to point that out.

Mr. GREGORY.—A Select Committee may be necessary to point out what we are giving to this company.

Mr. RICHARD FOSTER.—Where would a Select Committee find oil experts in Australia, except the American representatives?

Mr. GREGORY.—We might get good information from that source. The honorable member, as a business man, knows perfectly well that he has no special knowledge of oil refining, or of the oil industry.

Mr. RICHARD FOSTER.—I have distributed copies of the Bill among half-a-dozen of the keenest men in Adelaide, and they tell me that it is good business.

Mr. GREGORY.—I have discussed the matter with the honorable member, and he knows I have found very little in it which is objectionable.

When the honorable member for Macquarie (Mr. Nicholls) was speaking, and was about to quote one of the clauses of the agreement, I drew his attention to clause 14, paragraph c, in which it will be seen that if other persons wish to import crude oil to Australia, and start a refinery here, the Anglo-Persian Oil Company has a guarantee from the Government that legislation will be brought down imposing a special duty on any imports if it should be shown there was anything in the nature of unfair competition.

Mr. MAXWELL.—This Parliament will be master of the situation.

Mr. GREGORY.—I am looking at the matter in the interests of the people who are using oil, and I do not wish to see something established here which may mean very dear oil for them. Until we discover oil in Australia, we must get our crude oil from the Anglo-Persian Oil Company. They may charge a higher price for their crude oil, and for the cost of refining than the cost of other imported oils; but if some other firm proposes to start a refinery in Australia, bringing oil here for that purpose, and charging half the price which the Anglo-Persian Company may be asking, this Parliament is pledged under the agreement to pass

legislation imposing a duty on crude oil coming into this country if there is unfair competition.

Mr. ATKINSON.—Parliament will need to be shown that it is unfair competition.

Mr. SPEAKER (Hon. W. Elliot Johnston).—Order!

Mr. GREGORY.—Mr. Speaker, would I be in order in reading a paragraph of the agreement?

Mr. SPEAKER.—No. I ask the honorable member not to take notice of interjections.

Mr. GREGORY.—I have no desire to transgress the rules of the Chamber, but I would like to point out the danger of our being called upon to pay a higher price for this product, and that there is need for the House to become possessed of the fullest information before accepting this agreement.

I do not think there is much justification for the Bill, because I cannot see what we are to gain by having an oil refinery here. Enormous gain would result if sound, practical efforts were made to prove the existence of oil in Australia. For a great number of years, we have been spending money in Papua with bad results, because the work has been undertaken by the Government, instead of endeavouring to carry on the work under a political Minister. I commend them now for taking steps to utilize the services of the Anglo-Persian Oil Company, who have special experts and geologists who thoroughly understand the business. I am also pleased that, instead of adhering to the terms of the memorandum, which provided for retaining the field of exploration to Government efforts, such a policy has been renounced, and the Government are now prepared to allow outsiders to prospect for oil in that field. Before we talk about establishing a refinery, we should give every assistance to people to prospect, not only in Papua, but also on the mainland, to see if oil can be developed here. Once we discover oil in Australia, we shall soon have a refinery established. I think the Government would be justified in giving a bonus or financial assistance such as is given to the Anglo-Persian Oil Company, for the purpose of endeavouring to establish such refineries here, but our first step should be to do all we possibly can to discover oil. Some of my constituents recently paid a

very large fee to one of the best oil experts in Australia for a geological report on certain portions of Western Australia, and he gave a very favorable report. Other persons are applying for land in the Northern Territory, believing from reports and indications that it would be possible to obtain oil there. If these people are prepared to spend their money, and if it can be certified by a geological Department that the conditions are in any way favorable for the discovery of oil, the Government will be justified in spending many thousands of pounds in the purchase of drills, which could be lent out to parties, prepared to guarantee the expenditure of a certain amount of money in prospecting work. In my opinion, the offer of a large bonus is worthless. Let us give assistance to prospectors. However, as we are dealing with something novel, which carries with it many important functions and conditions, and as I cannot see any justification for urgency, I strongly support the motion to send the Bill to a Select Committee, so that we may be able to secure advice, and see that the measure gives the best possible protection to the interests of the people of Australia.

Mr. FENTON (Maribyrnong) [8.43].—One of the questions uppermost in the consideration of this matter is where the great bulk of the oil supplies of the world come from, and another is what are the principal influences at work in keeping the price of oil at such a high figure. I must again refer to that most valuable report of the Committee of the House of Commons on petrol supplies from Great Britain. It would have been of great benefit to honorable members if the Government had had the whole of the Committee's report printed, because it is so educative. Unfortunately, I do not think the Prime Minister (Mr. Hughes) had taken the trouble to scan it when he introduced the Bill; otherwise he would not have given expression to so many erroneous ideas. One paragraph of the Committee's report says—

The greater bulk of the petrol landed in this country (Great Britain) at the present time is produced by American, Dutch, or Mexican companies, which are outside the control of His Majesty's Government.

It is proved up to the hilt that the great bulk of the oil supplies of the world are under the control of American, Mexican, and Dutch companies. It is admitted

that had it not been for the supply received from these quarters, Great Britain would have been bankrupt in oil supplies during the recent war. If this agreement be adopted, it will give the Anglo-Persian Company a big Government backing and a considerable monopoly so far as supplies of oil for Australia are concerned. Now it has been admitted upon all sides that that company, either from its Persian wells or from any other source, cannot supply one-fourth of the requirements of Britain and Australia.

Mr. CONSIDINE.—Is that not due to lack of refineries?

Mr. FENTON.—The facts have been elicited by a Committee consisting of members of the House of Commons and of oil experts. This Committee grew out of the Profiteering Act which was passed by the British Parliament in 1919. To it was allotted the duty of inquiring into the petrol supplies of the world. It had the best possible evidence at its command, and, after going into the whole question exhaustively, it arrived at certain conclusions. Amongst other things, it concludes that one of the factors contributing to the high cost of oil is the Shipping Ring. Now, who is one of the chief instruments of that great Shipping Combine? The very man who occupies the position of representative of the British Government in connexion with this Anglo-Persian Oil Company—I refer to Lord Inchcape. He is at the head of this great Shipping Combine, and, to a large extent, he and his associates can control the freights of the world. It was admitted in evidence before the Committee which investigated this matter that one of the chief factors in the high price of oil is the cost of transferring it either from the oil wells or the refineries to its various destinations. The Committee says in its report—

The recent advance to 3s. 8½d. in the price of petrol is, according to a public announcement, largely based on the increase in freight, although it is stated in the announcement referred to that only one-half of the present nominal market freight is included in that price.

And who is it that is charging these high freights? In this connexion the Committee says—

Figures furnished by the Ministry of Shipping show that early in December, 1919, the rates between the United Kingdom and the northern ports of the United States were 150s.

per ton, between the United Kingdom and Trinidad 170s., between the United Kingdom and the Persian Gulf 210s., and between the United Kingdom and Borneo 280s.

The Shipping Combine, of which Lord Inchcape is the head, and the Persian Oil Company to a large extent control freights.

Honorable members, I am sure, are grateful to the honorable member for Flinders (Mr. Bruce) for the splendid way in which he dealt with this question the other evening. He said that he could only see two ways by which the Anglo-Persian Company can make a profit out of this agreement. It will certainly make a profit out of the production of crude oil, but it will derive a much greater profit out of the freights from Persia to Australia. What matter, then, if the Commonwealth has a bite at the small portion of the cherry which is left? Freights are dearer from Persia to Britain than they are from the United States to Britain, or from Trinidad to Britain. During the war, although the British Government were supposed to exercise a dominating influence in the affairs of the Anglo-Persian Company, that company exacted from the British public more profits by way of freights than it obtained in any other way.

Mr. CORSER.—Did not Great Britain get more than half of those profits?

Mr. FENTON.—When the honorable member can controvert the facts which I have stated I shall be prepared to listen to him.

Mr. CORSER.—The honorable member is merely expressing his opinion. I suppose that I am just as entitled to express mine.

Mr. FENTON.—I am giving the honorable member the opinion of an expert body. I am not talking sugar now.

Mr. CORSER.—I know perfectly well—

Mr. FENTON.—The honorable member does not know perfectly well. That is the trouble. I am giving him the facts as they are related by an expert body which was formed of members of the House of Commons and experts of the oil industry. Can he do any better than that? He is dumb now. Evidently he is prepared to listen to what takes place at the caucus meeting of his party, and to swallow whatever the Prime Minister may say. Even the British Government cannot control the supplies of oil that

enter Britain to-day. What does the Committee to which I have alluded say in this connexion? It says that the only way of rescuing the British public is by the League of Nations assuming control of the matter. The British Government have not been able to keep down freights, have not been able to leg-ropé Lord Inchcape.

I believe that the appointment of a Select Committee to inquire into this matter would not delay the passage of this Bill three weeks.

Mr. JACKSON.—What about the proposed adjournment for a month?

Mr. FENTON.—It will be two years before the proposed refinery is established in Australia. In three weeks, a Select Committee could obtain sufficient information to satisfy even the most critical honorable member. Then, if certain amendments were suggested by it, the House would readily accept them so long as they safeguarded the interests of the Commonwealth, and the passage of the Bill would thus be expedited. In the absence of such an inquiry, there will be grave suspicion that everything connected with this agreement is not quite above board. What will happen during the two years which must elapse before the Anglo-Persian Company is able to refine a gallon of oil in Australia? After the refinery has been established, the company will supply us with only a portion of the oil that is required to carry on industry in Australia. Every day, in every part of the world, the demand for petrol is increasing; and the day may soon dawn when America will put its long arms practically around the whole of the American supplies.

Mr. TUDOR.—The Petrol Commission says that.

Mr. FENTON.—Yes, and it predicts a world famine in petrol. That being so, we should hesitate to shut out supplies of oil from Australia. There is the shale oil industry here which we should encourage more than we have encouraged it in the past. We are assured by those who are interested in it that that industry will be seriously imperilled, if it be not actually wiped out, if this agreement be adopted. I would like to give the representatives of the shale oil industry an opportunity of stating the reasons why they fear that it will be ruined if this agreement be approved. I ask honorable members to look at the

amended agreement, though I understand that you, sir, will not allow me to deal with that.

Mr. SPEAKER (Hon. W. Elliot Johnson).—In Committee honorable members will be able to deal with it.

Mr. FENTON.—But before we reach that stage, a most important matter will have been decided, namely, whether this Bill is to be referred to a Select Committee. It is rather unfortunate that we are unable to discuss the details of the agreement before we arrive at a decision on that question.

Mr. SPEAKER.—Order! I must again remind honorable members that this is neither a second-reading debate nor a debate in Committee upon the Bill. So far, I have allowed a considerable amount of latitude; and what honorable members have really been doing is to go over a lot of matter which has already been thoroughly threshed out in the House. When they desire to go farther, and to debate details of the schedule, and possibly details of suggested amendments, obviously, I must draw the line, because those are matters which can be dealt with only in Committee. When we reach that stage, honorable members may dissect every word, every letter, and every comma of the Bill, or any proposed amendments to the Bill, if they so desire. Consequently it will not be in order at this stage of the proceedings to debate the matters to which I have alluded. The proposal is to refer this Bill to a Select Committee, when such matters would be freely open to discussion, as they would also be in a Committee of the whole.

Mr. FENTON.—Unfortunately, the numbers appear to be up. It is set out in the Bill that this Anglo-Persian Company is to use its best endeavours to obtain a full supply of oil for Australia. It may very soon report to the Prime Minister that it has used its best endeavours in the direction indicated, and without success. But if, on the other hand, it obtains a full supply of oil for Australia, it will be obliged to go for that supply to the very people against whom honorable members opposite have inveighed so vigorously. If the Bill be referred to a Select Committee, I hope that that body will examine representatives of the Vacuum Oil Company, of the Standard Oil Company, of the Shell Company, of the Anglo-Persian Company, and other experts who may be available.

I understand, for example, that Dr. Wade is still in Australia. If honorable members were sitting in judgment upon any case, would they limit the evidence to one side? I claim that if any information can be obtained, even from an enemy source, that information should be made available. I should have no hesitation in telling any Select Committee appointed to get evidence where it could, so long as it obtained necessary information, and surely some information could be obtained from the men to whom I am referring. A Select Committee appointed by this House would no doubt possess sufficient brains to judicially examine evidence, and the whole inquiry could be completed in two or three weeks, and the report presented to Parliament when we meet again after the adjournment for the Royal visit. The question to be decided is a momentous one to Australia, and we ought to see, when starting a business of this kind, that the foundations are firmly laid. There are columns in the *Times* of the 2nd March this year which disclose to me, at any rate, that we are in some danger if, without inquiry, we close with this company. What is being done in other parts of the world where the oil industry is developing by leaps and bounds? In Mexico there are not fewer than 150 American companies obtaining and exporting oil, and if we depart from the State system of developing our oil resources we ought to allow other companies to send their experts to Australia. Personally, I should like to see the best experts employed, because, if we could get twenty companies to establish themselves in Australia, it would not be long before we should be self-contained so far as oil is concerned. If this were so, we in Australia would be able to rejoice in the fact that by the development of our oil wells we were conferring immense benefits, not only on ourselves, but on all the world.

Mr. HECTOR LAMOND (Illawarra) [9.2].—The honorable member for Maryborough (Mr. Fenton) has expressed the joy with which he would welcome twenty companies to explore the Australian oil resources. But Australia has been open to these companies all along, and one result of our neglect to do anything to provide ourselves with oil was that petrol and other oils that come from petroleum were exceptionally dear in the Commonwealth all through the war period. One

would think, to listen to some honorable members, that this was a new question suddenly sprung upon us; but those who follow the news of Australia will remember that the operations of the American Oil Combines in this country were fully investigated in the Courts of New South Wales only a year or two ago. It was shown that these Combines had made enormous profits at the cost of this country during the war period, and when the Necessary Commodities Commission fixed a price which was considered fair, the Combines boycotted the State until the price was lifted to a level they thought they had a right to demand. Now, when the Commonwealth Government submit an agreement with a company which will provide, at any rate, some cheap oil, we have, from unexpected quarters, these extraordinary arguments against the proposal. I was astounded to hear the Leader of the Opposition (Mr. Tudor) say that, because the Government would hold half the stock, they will become a party to the extortion of high prices. I never heard a more damaging argument against any proposal to nationalize an industry. If the Government would do such a thing, are they not just as likely to extort high prices through the medium of other industries they might wholly control?

Mr. FENTON.—The Government might do it under cover of the company.

Mr. HECTOR LAMOND.—The argument is so artificial as to suggest that honorable members are not expressing their convictions, but looking around for some means of bolstering up the case for opposition companies. It is, unhappily, the fact that whenever an effort is made to deal with any of the big interests, we find—without the slightest suspicion of corruption or collusion—that those who wish to oppose everything the Government may do become naturally the mouthpiece of those interests.

Mr. CONSIDINE.—Is this one of the Government's anti-profiteering moods?

Mr. HECTOR LAMOND.—I am always in my anti-profiteering "mood"; I do not change it simply because the Bill to deal with it bears the name of some man I dislike. I venture to say that if this Bill had borne the name of the Leader of the Opposition instead of that of the Prime Minister (Mr. Hughes), or some other Minister, we should not have heard the speeches we have been under the painful necessity of listening to in this debate.

I have been waiting to hear one sound reason advanced for sending this Bill to a Select Committee. We heard reasons last week in the House and in the lobbies, but those reasons have all been dissipated into thin air; and we now hear great fear expressed that a giant monopoly is being established. We in Australia have suffered under at least two oil monopolies for many years. In New South Wales a Labour Ministry introduced a proposal to deal with the matter by establishing a State monopoly, not of crude oil, but of petrol; and that proposal was supported, not only by the Labour party, but by a large section outside.

The proposal now before us is to refer to a Select Committee the agreement which the Government have entered into subject to the approval of this House. The agreement does not establish a monopoly; and there is nothing in the way of the establishment of a monopoly to inquire into. The contract is to deliver certain quantities of crude oil yearly, and that quantity is not sufficient to meet the demands of Australia; thus the contract can have little effect on competing companies so long as their prices are as satisfactory as the prices of others. If the prices of those competing companies are better for the public than those charged by the Anglo-Persian Company the trade will soon go to them. But the fear that the public are going to be charged more is not the reason that we are inundated with expensive telegrams and literature—the fear is that the presence of a company controlled by the Government will bring down the price of oil, and that the competing companies will have to leave the market or sell at the same figure. The whole agitation against the Bill is founded on an idea that by the establishment of refineries in Australia, where our people may find employment, we are striking a blow at the monopoly prices to which the Commonwealth has hitherto had to submit. That is not a matter for a Select Committee, but a matter on which every one who has followed the profiteering operations in this country can come to a speedy determination.

Mr. CONSIDINE.—Should we not have made more progress if the Government had undertaken the business themselves?

Mr. HECTOR LAMOND. — If the object of the Leader of the Opposition is to get from a Select Committee a report in favour of nationalization, the honorable member for Barrier (Mr. Considine) knows that such a proposal has no chance at all of being accepted by this Parliament. That choice is not open to Parliament; the choice is between the Bill as presented and no attempt to control the price of oil. The suggestion that we are to refer this matter to a Select Committee in order to get a report in favour of nationalization is an idle pretence which I do not think appeals to many honorable members. The practical suggestion is made that we should have our own refinery; but there is nothing to prevent the Shell Company or any other company from starting business here. Not many years ago, when I was on the same platform as honorable members opposite, the Standard Oil Company was an organization of which we spoke most scathingly; but to-day, apparently, the interests of that company are the inspiring theme of the opposition to the Bill. The Standard Oil Company is quite free to open refineries in Australia, give employment to our people, and sell us cheap oil if it can. There is not a line in the Bill which removes the power of the Commonwealth to encourage exploration for oil. The agreement has nothing to do with exploration for oil: that is dealt with in an entirely different agreement, which does not bind the Commonwealth to any one company. Any one of the twenty companies which the honorable member for Maribyrnong pictures in his imagination is free to explore for oil in Australia as much as it likes; the agreement establishes no monopoly—gives no monopoly rights.

Reference has been made to the powers that may be exercised in connexion with the Customs duties; but under what conditions? If the Commonwealth Government thinks the price charged is fair and reasonable it may do the things provided, and can only do them through this Parliament; not only is the Government to be satisfied that the price is fair and reasonable, but the majority of honorable members has to be satisfied before any one of these three conditions apply. The fear that a monopoly will be created is the emptiest of all the suggestions made in support of a Select Committee. There is

not a line in the Bill that gives a monopoly to the Anglo-Persian Company, or prevents any other company establishing refineries here; and all the arguments advanced, one after the other, against the agreement are arguments that do not touch the case.

For myself, I am prepared to accept the Bill in its present form. After all this talk about the amendments those we have so far seen in print are only explanations of the Bill, or intended to more clearly phrase the provisions already in the measure. To me the Bill seems entirely unobjectionable from the point of view of the establishment of a monopoly. And we must remember that we are not in a position to make a free choice. If we could have got our oil refined and sold at a reasonable price, there would have been no necessity for this Bill; but at present we are absolutely in the grip of monopolies which have been levying toll on us all along, and which will continue to do so unless we take some action.

Mr. FENTON.—The Anglo-Persian Company has been doing the same thing.

Mr. HECTOR LAMOND.—Of course it has; and, therefore, all the more necessity there is for an agreement to prevent it doing it in the future. If we could make similar agreements with other companies it would be for the benefit of the Commonwealth, for that would, at any rate, give us some cheap oil, and enable the public to see the comparative prices, and judge what ought to be paid under present world conditions.

Mr. WEST.—You are easily pleased.

Mr. GABB.—Easily “bluffed.”

Mr. HECTOR LAMOND.—I am not so easily “bluffed” that I accept some of the speeches which have been made in this Chamber to-day as expressing the real opinion of those who made them. Nor am I so easily “bluffed” that I can be induced to repeat here the statements which appear in pamphlets issued by what is one of the greatest monopolies in the world to-day, the Standard Oil Company. Honorable members opposite have condemned these monopolies, and yet in their speeches on this Bill they have re-hashed the arguments which the Standard Oil Company has caused to appear in the newspapers, and has circulated wherever they would find acceptance. I should have liked to hear from the honorable member for Maribyrnong something

in the vein of the old Labour opposition to monopolies, and some slight approval of the action of the Prime Minister in making an agreement which will enable us to at least reduce the toll that some of these monopolies levy on the Commonwealth. I believe that the effect of the Bill will be to reduce the cost of fuel oil to Australian industries, and it is because I so regard it that I shall support it.

Mr. CONSIDINE (Barrier) [9.18].—I shall vote to refer the Bill to a Select Committee, though I do not think that any ultimate good will result unless the proposed arrangement is prevented, and for that reason I shall vote against the Bill altogether.

Mr. SPEAKER (Hon. W. Elliot Johnson).—The House has approved of the principles of the Bill by agreeing to its second reading.

Mr. CONSIDINE.—That does not remove my disapproval of it.

Mr. SPEAKER.—The honorable member may not now discuss the principles of the measure.

Mr. CONSIDINE.—I do not propose to do so. It was you who drew my attention to the fact that the House had given its approval to the measure by agreeing to the second reading. I wish to express my views in opposition to the agreement.

Mr. SPEAKER.—The honorable member would not be in order in doing that. As I have pointed out, the second-reading debate has closed, the House having, on a division, agreed to the second reading of the Bill, and thus having approved of its principles. The honorable member would not be in order in discussing the agreement, which is a schedule to the Bill, and, virtually, the whole Bill, at this stage. He may address himself only to the motion before the Chair, for referring the Bill to a Select Committee. He will be in order in giving reasons why that should or should not be done, but he would not be in order in making a second-reading speech on the Bill itself.

Mr. CONSIDINE.—I suppose that I shall be in order in speaking in favour of the proposal to refer the Bill to a Select Committee to inquire into the

doubtful antecedents of the party with whom it is proposed to enter into an agreement?

Mr. SPEAKER.—The honorable member will be in order in speaking in favour of the proposal to refer the Bill to a Select Committee.

Mr. CONSIDINE.—The Prime Minister (Mr. Hughes) has told us that the Anglo-Persian Oil Company came into existence as the result of the activities of a certain Mr. Knox d'Arcy, who obtained a concession from the Persian Government for the purpose of exploiting the oil resources of Persia, excepting that part of it which borders on the Caspian Sea. In what has happened since we have an illustration of the new phase of Imperialism. The explorations of Mr. d'Arcy, and the energetic persuasions of certain high British officials who are mixed up in this company have become responsible for the fact that Persia is now to all intents and purposes a part of the British Empire. It seems to me that the scheme is part and parcel of the activities of what is known as the *Round Table* group, or the newer Imperialism, that seeks to exploit the outlying parts of the Empire in the interests of a gang of financiers in London. It is eighteen years since Persia became an oil-producing country. Close upon the discovery of oil there, Persia was partitioned between Russia and Great Britain, but as the result of the European war Britain now holds not merely the part allotted to her by the agreement with Russia, but the whole of Persia. The internal composition of this Anglo-Persian Oil Company makes it apparent that it is intended to act towards the oil fields which are thought to exist in the Commonwealth and its Territories in the same way, and, to my mind, the development of the oil industry in Australia under the terms of the Bill would be fraught with as great danger to the liberties of the people of this country as the discovery of oil brought to the people of Persia.

In a booklet issued during the war by the Society of Friends in Great Britain, and entitled, *Whence Come Wars*, there is a very illuminating reference to this matter. The writer points out how the great armament firms were supported by their various Governments, and were the

cause of precipitating the nations into war. He goes on to say:—

The Powers depend on their Vickers, their Schneiders, and their Krupps, their Ternis, their Skodas, and their Putiloffs. With these they endeavour—making the best terms they can, according as the State or the corporation is more self-assertive and independent—to obtain allies and to weaken their enemies. They foster their firms, wink at their extortions (Schneider in Morocco), disregard their corruptions (Krupp and Carnegie in Germany and United States of America), and ignore their briberies (Vickers in Japan).

France helps Schneider by every means in its power to obtain the iron deposits in Morocco which Germany endeavours to prevent becoming French. Terni and Skoda both cast their eyes on the mineral riches of the Balkans. The Persian Oil Syndicate and the European Petroleum Union contend for the finest oil wells, and, when war threatens them, the Governments behind each group divert large forces to the Tigris Basin. The French Government likewise intervenes to keep Krupp from acquiring an interest in the Putiloff Steel Works, whilst the same Government works with might and main to secure the railway contracts of Anatolia for its own capitalists as against the Germans.

These are the kinds of economic conflicts which bring nations to the brink of war, for the reason that on the prosperity and consequent efficiency of certain highly-developed industrial concerns depends the success of the countries themselves should war break out.

Mr. GREGORY.—How the honorable member admires the autocracy of the Kaiser!

Mr. CONSIDINE.—The honorable member is quite wrong. What I object to is the establishment of an autocracy in this country as well as in Germany, or, for the matter of that, in any other country. I am afraid that I cannot help the honorable member if he is unable to see the drift of my argument, but what I am endeavouring to show is that the operations of the Anglo-Persian Oil Company represent simply one of the newest methods of extending the frontiers of the Empire, by securing, by one means or another, materials essential to the development of certain industries, and especially those necessary in war time. I have said also that the adoption of these methods is one of the most potent factors in fomenting wars. The honorable member for Dampier (Mr. Gregory) must know very well that Mesopotamia and Persia are, for all practical purposes, part and parcel of the British Empire, simply because of the existence of oil wells in those countries. The Prime Minister,

in introducing the measure now under consideration, pointed out that oil has to-day become an essential requirement for warships, for war industries, and for transport by land and sea. It is now on the same plane as iron, cotton, rubber, and other commodities essential to the operations of people bent upon Empire building and land grabbing, if they are to successfully make war against their trade rivals. In the view of these people, countries or small nations weak in defence have no rights, and must be wiped off the face of the earth, or be forcibly incorporated with one or other of the great Powers in order that the world may be divided up into new Imperial groups.

Mr. RODGERS.—The honorable member is very consistent. His themes do not vary much in this House.

Mr. CONSIDINE.—I take that as a compliment from the honorable member. I was not sent here to vary my themes. I was sent here to advocate the views held by an increasing majority of educated working men throughout the world.

Mr. RODGERS.—I have not heard the honorable member use the word "Russia" for ages.

Mr. CONSIDINE.—Possibly the honorable member has not; but I remind him that there has been a notable and eloquent silence on the part of honorable members opposite since the Allies withdrew their military forces from Russia.

Mr. SPEAKER.—Order! I ask the honorable member not to follow up interjections that are themselves disorderly.

Mr. JOWETT.—There has been an eloquent silence in Russia since they killed half their people.

Mr. SPEAKER.—Order! I ask honorable members to cease interjecting. May I remind them that it is extremely disorderly to interject immediately after the Speaker has called the House to order. I hope that the practice will not be indulged in in future.

Mr. CONSIDINE.—I am not very much concerned about the view which honorable members may take of what I have to say, because, like the honorable member for Wannon (Mr. Rodgers), they may become a little tired of my theme, since I approach every subject that comes up for discussion in this House from the stand-point of the working class position, as I understand it.

Mr. JOWETT.—What about Standard oil?

Mr. SPEAKER.—I ask the honorable member to take no notice of an interjection from an honorable member who has so frequently been asked not to interject.

Mr. CONSIDINE.—I did not intend to do so. When addressing myself to subjects under consideration in this Chamber, I am not concerned about the individual opinions of honorable members opposite, or even of honorable members on this side, but my purpose is to discuss various matters from the view-point of the industrialists in all countries, who, I may tell, honorable members, are very much concerned about the system of concession giving and exploitation of which the operations of the Anglo-Persian Oil Company are a sample. If honorable members take the trouble to read such organs of the New Imperialism as the *Round Table*, they will know that there is a combination in Great Britain whose idea is to exploit the Dominions of the Empire in the interests of a financial group whose head-quarters are in London.

Mr. JOWETT.—No, that is not so.

Mr. CONSIDINE.—The honorable member does not know it. He is not aware of the development of the Empire Resources Committee. If he investigated the matter for himself he would find that the *Round Table* group even approached members of this House when they were on the other side of the globe, and offered to find seats for them in the House of Commons.

Mr. JOWETT.—The honorable member would not accept that offer.

Mr. CONSIDINE.—Not under present circumstances. Honorable members should be aware that the world to-day is being divided into huge international Trusts. The nations are taking on the aspect of Trusts. They have become huge industrial workshops that must have control of the materials they require or go under in the industrial struggle to maintain their supremacy. It every day becomes increasingly necessary for them to control in one way or another countries rich in iron and the other articles I have referred to that are essential for the maintenance of their superiority in armaments. They must acquire these countries, by force, or, if they have them, must use force to retain them. Taking this view of the question, I find no reason

for supporting the oil agreement which has been submitted to us. In my opinion, it calls for a very exhaustive inquiry by a Select Committee, or by some other body, to justify the Government in asking us to consent to it.

Some honorable members have said that this agreement will not retard the development of oil supplies in Australia or the Territories under the control of the Commonwealth. Why is it that honorable members who have talked about the Commonwealth Shipping Line have not come forward with a proposal to establish exclusively Commonwealth refineries. During the debate on the second reading of the Bill it was said that the reason is that we have not men possessed of the necessary technical knowledge to handle oil.

Mr. GREGORY.—Those who said that had sense enough to realize that brains are required to manage this business.

Mr. CONSIDINE.—Does the honorable member mean to confess that he has not brains enough?

Mr. GREGORY.—Not to manage the oil business.

Mr. SPEAKER.—Order! I once again ask honorable members to cease interjecting.

Mr. CONSIDINE.—The honorable member believes that the rulers of this country claim to possess brains enough to exercise control over such matters as shipping, mills, and several other phases of commercial activity. But this oil business seems to be surrounded by a mysterious halo which cannot be penetrated. When it is a matter of Australia desiring to build submarines and destroyers we can send men to Great Britain to learn their job. Are there no refineries in other parts of the world where Australian citizens can be sent to learn the technique of refining oil during the period which is to be occupied by endeavours to discover oil deposits here? I have been reading a book in which I learned that the trouble with the Anglo-Persian Oil Company has been, not that it has had insufficient supplies of oil, or that the quality has not been up to the mark, but that it has not had enough refineries to cope with its output. The nature of this agreement, in my mind, tends to support that fact. Can it be expected that the Anglo-Persian Company's experts will be particularly keen on discovering oil in Australia and its Territories, seeing that they have, in their Persian fields, more than sufficient oil to

keep all their refineries going, including the proposed refinery in Australia? Here is a quotation from *The Mineral Industry During 1917*—

It is now stated that the oil-fields that are being developed and tested by the producing companies of the Anglo-Persian Oil Company are among the most extensive and prolific in the world. Were refineries existing to deal with the oil, the field from which crude is now being obtained would produce about 4,000,000 tons annually. Most of the wells, however, have to be kept shut down for want of facilities to deal with the crude. Some idea of the richness of this field is given by the statement that the present obtainable production exceeds that of the whole of the Roumanian and Galician oil-fields before the war.

All this business is merely part and parcel of a great scheme which I term the new Imperialism; that is to say, the exploitation of the outlying portions of the Empire in the interests of a financial group in London. I am opposed to the proposition, and, for that reason I shall vote in the direction of securing a Select Committee.

MR. PROWSE (Swan) [9.41].—We know that Australia is lamentably short of oil, and that it is all-important that we should be in the way of securing cheap supplies in order to increase our production, primary and secondary. This agreement provides a means of securing oil fuel more cheaply, and it should certainly stimulate efforts to discover oil in Australia. If a monopoly were to be given to the Anglo-Persian Company I would endeavour to secure the insertion in the Bill of clauses calculated to frustrate such a purpose. But the satisfactory fact is that, under the terms of the Bill as it stands, the company's interests will be acquirable by the Commonwealth within fifteen years. I trust that this House will specifically define in the Bill the duties of the two independent persons who are to be called upon to fix a valuation. The factor of goodwill in relation to this matter should be considered now, and in cold blood. I know that in Western Australia the neglect to make definite that point in the drawing up of an agreement with a certain company cost the city of Perth over £240,000. I hope the Commonwealth will never be called upon to pay anything for goodwill; and that, indeed, nothing but the question of actual value will be taken into consideration. Now is the time to safeguard the position. I feel that a House comprising, as it does, seventy-five honorable members representative of every

part of Australia, should be capable of saying whether this agreement is in accordance with the wishes of the people without calling for the appointment of a Select Committee. It would be dangerous to try to secure expert evidence in Australia upon the oil question. I certainly was not helped in that direction by a certain telegram which I received to-day. I have not had too much sympathy—and neither have the people of Australia, generally—from these people who are concerned in the supply of Australia's oil requirements. The House is indebted to the honorable member for Flinders (Mr. Bruce) for his able contribution to the debate. The honorable member correctly expressed the feeling that if any alterations in the agreement were necessary they could be effected during the Committee stage of this Bill.

DR. MALONEY (Melbourne) [9.45].—I approach this subject with diffidence, because of the attitude I have always adopted towards great Trusts or Combinations. I regret that we are not sufficiently advanced in our ideas of Democracy to follow the example of Japan, and deal with these corporations as effectively as has the Government of that country. Last year the people of Australia paid £6,500,000 for the petroleum used in this country, and when we remember that the total cost of production, including mining, casing, and refining, was only about £500,000, and freight absorbed another £500,000 at the outside, we find there was a clear profit of £5,500,000 for the oil companies. I have no great regard for the Standard Oil or Vacuum companies, because, in my opinion, they are all joined together against the interests of Democracy. Their only god is pelf, and their only desire is to secure dividends. Let us look at this proposal in a common-sense way. It seems to me that its only effect will be to prevent the development of our oil deposits in Australia or Papua, and to encourage the crude oil products of Persia in the refineries to be erected in Australia. Therefore, I earnestly urge honorable members to follow the lead set by Japan and support the motion for a thorough investigation into the agreement. Lord Incheape is at the head of the Anglo-Persian Oil Company. I only mention his name as a reminder to honorable members of the difficulties we have experienced of late years in connexion with the Shipping Trust.

I have had many differences of opinion with the Minister for Defence (Senator Pearce), but in connexion with this Trust evil I should like to quote briefly from *The Uprising of the Many*, by Russell, who, by the way, gives a good deal of credit to the Minister for Defence for action which he took some years ago fighting Trusts that were threatening Australia. A former Premier of South Australia, the late Mr. Thomas Price, had trouble with the Shipping Trusts of Australia. This is what happened—

The Trust got a verdict of 500 dollars. Mr. Price owned his cottage, the result of years of toiling at his trade, and beyond that he had not a dollar. So the great Shipping Trust, which annually gouged millions from the people of Australia, purposed to seize the 900-dollar cottage to punish him for telling the truth.

Then an agent tried to tempt Mr. Price by offering to advance him the money, and it is related by one eye-witness that a somewhat portly gentleman was seen rushing out of a house with an infuriated member of Parliament behind him. This agent, we are told, was finally kicked like a bundle of rags into the gutter. The writer also has something to say about George Ryland, who was eliminated from the Northern Territory by that man who, in my judgment, ought to be in gaol for his administration there. George Ryland was black-listed for five years. This is how Mr. Andrew Fisher, who enjoyed the unique distinction of being regarded as an honest politician, was treated—

Andrew Fisher, a locomotive and mining engineer, and afterwards in the Labour administration, the best Minister for Customs that Australia ever had, went up and down the colony looking in vain for employment. He made a study of mines; no man knew them better; but no employer would have him on any terms. Finally a miner, who was an old friend, and to whom he had made a rather pleading application, said to him, "Fisher, I should like to have you here, for I know your ability, but it is impossible. You know what would happen to me if I employed you. In six months we would both be looking for jobs."

I have referred to these incidents in order to bring home to honorable members the evils that confront us in connexion with these Combines. I may also relate my own experience of Standard Oil methods. A gentleman who, I understand, enjoyed a salary of £16,000 a year and commission, boasted, I believe, at a meeting in South Africa, that, if necessary, he would buy the Commonwealth Parliament in

order to advance the interests of his company. I was introduced to him a few years ago by Mr. Alcock, of Messrs. James Service and Company. He at once commenced to speak about Standard oil, which, as honorable members know, is not a pleasant subject with me. I said to him, "I do not care to talk about Standard oil. Let us talk about something else." In the course of our conversation I was interrupted by a constituent, and upon my return he again started to talk Standard oil. Another interruption in the conversation occurred, and for the third time he introduced the subject of Standard oil. I then said to him, "I will eat with you, drink with you, or smoke with you, but I will not talk Standard oil with you." He at once replied, "But, doctor, you must know that we give the public a better article at a cheaper price than any other company, and we pay better wages." It then flashed across my mind that he was the man from South Africa, and I said to him, "I believe you are the man who boasted he could buy the Commonwealth Parliament. Let me tell you that your Standard Oil Trust may be rich enough to buy anything, but, by the Living God, you will not buy the Australian people, who have the adult franchise." At that moment my friend, Mr. Alcock, joined in and asked the reason for my display of temper, and the Standard Oil Company's representative at once replied, "The doctor is not to blame; he gave me three warnings." I then remarked that I would like to fling the Standard Oil Company "down below." He replied, "It would make a mighty fine blaze." Mr. Alcock was pacified; and there the matter ended. The man, however, attained his object. We were trying to bring about the importation of oil in bulk, so that it might be tinned and cased in Australia, and thus give employment to tinsmiths and carpenters. In that effort we were defeated by two votes, and I believe that those two votes were "had." The two men who were suspected have long since been relegated to oblivion.

MR. SPEAKER (Hon. W. Elliot Johnson).—The honorable member is now going somewhat beyond the scope of the question immediately before the Chair.

DR. MALONEY.—I have mentioned this incident in support of my contention

that the Government should allow this agreement to be inquired into by a Select Committee. If we had the power of the people of Switzerland we could alter matters.

Mr. JOWETT.—But Switzerland has no Trusts.

Mr. SPEAKER.—Order! If the honorable member for Grampians cannot refrain from interrupting I may have to ask him to retire from the chamber, or take another course.

Dr. MALONEY.—There are no Trusts in Switzerland. Under the Constitution of that country a law may be altered or amended at any time. If the referendum, the initiative and recall were in operation here the position would be very different. As it is I view with some degree of trepidation the proposal to bind the Commonwealth in this way for fifteen years. Why should Australia be delivered into the hands of this wealthy Combine, with Lord Inchcape at its head, for such a period? The time fixed for the operation of the agreement is too long. In the words of one of the brightest Englishmen that ever lived, no generation has a right to make laws that future generations must obey. No King or Parliament should impress upon future generations laws which are thought suitable for the control of the people in their day. This Parliament has no right to impress upon future Parliaments any agreement made between the Government or a Trust or Combine that may be found to be detrimental to Australia. In *The Uprising of the Many*, honorable members will find further arguments in support of the view I have put forward. That book shows how Japan settled the question.

The Standard Oil Company was nominally dispersed, but in dealing with some results of the anti-trust laws in America that brilliant graduate of the Melbourne University, Mr. H. L. Wilkinson, in his work entitled *The Trust Movement in Australia*, writes, at page 186—

In the case of the dissolution of the Standard Oil Company there are, or were, 6,000 stock or shareholders to be dealt with. They were called upon to surrender the scrip, and in exchange received shares *pro rata* in the forty other subsidiary companies which have constituted the Trust. At first sight this return to original conditions would appear to be destructive of the combination against which action had been taken. But although the

Standard Oil Company had 6,000 shareholders the majority of the stock was possessed by about a dozen men, who will continue to control the majority of the shares in the forty companies. It may, therefore, be expected that the forty companies will continue the policy of the Standard Oil Company, and in that case the public will be no better off, the only result being that the administrative expenses will be greater.

Nominally the Standard Oil Company was dissolved, but actually it was not, and it controls many of the State Legislatures of the United States of America as only great Trusts and Combines could.

I am proud that my Leader (Mr. Tudor) has come forward with an amendment to refer the agreement to a Select Committee. Such a Committee would make a thorough investigation. I am not the friend of any corporation, but I believe that the wages and working conditions of the company engaged in the Australian shale oil industry, which has spent between £2,000,000 and £3,000,000, principally in New South Wales, could be controlled by us. On the other hand, what power should we have to control the wages of those employed by this company in Persia? People work there under conditions of semi-slavery. What power should we have over them? None whatever. Honorable members will find in *The Mineral Industry During 1917*, which was quoted by the honorable member for Barrier (Mr. Considine), a very strong argument in favour of the reference of this question to a Select Committee. The Bill was introduced and read a first time on 4th May. Honorable members then saw it for the first time, and no man, no matter what his ability, could in the meantime have made a thorough study of the issues involved. We are to have next week a visit from a very high and cultured individual—a Prince of the Royal House of England—and we are to adjourn for something like a month. During that time the Select Committee could make full inquiries, so that there would be very little delay in dealing with the agreement if the amendment were adopted. I shall vote for the appointment of a Select Committee, and I regret very much that the Government has not seen fit to accept our proposal.

Question—That the Bill be referred to a Select Committee—put. The House divided.

| | |
|------------------|----|
| Ayes | 20 |
| Noes | 31 |
| Majority | 11 |

AYES.

| | |
|-------------------|-------------------|
| Blakeley, A. | McWilliams, W. J. |
| Considine, M. P. | Moloney, Parker |
| Cook, Robert | Nicholls, S. R. |
| Cunningham, L. L. | Riley, E. |
| Fenton, J. E. | Stewart, P. G. |
| Gabb, J. M. | Tudor, F. G. |
| Gregory, H. | West, J. E. |
| Hill, W. C. | |
| Lazzarini, H. P. | |
| Mahony, W. G. | |
| Maloney, Dr. | |

Tellers:

Catts, J. H.
Page, James

NOES.

| | |
|------------------|----------------------|
| Atkinson, L. | Jowett, E. |
| Bayley, J. G. | Lamond, Hector |
| Bell, G. J. | Lister, J. H. |
| Blundell, R. P. | Mackay, G. H. |
| Bowden, E. K. | Marr, C. W. C. |
| Bruce, S. M. | Maxwell, G. A. |
| Cameron, D. C. | Poynton, A. |
| Chapman, Austin | Prowse, J. H. |
| Cook, Sir Joseph | Rodgers, A. S. |
| Corser, E. B. C. | Ryrie, Sir Granville |
| Fleming, W. M. | Smith, Laird |
| Foster, Richard | Wienholt, A. |
| Francis, F. H. | Wise, G. H. |
| Gibson, W. G. | |
| Hughes, W. M. | |
| Jackson, D. S. | |

Tellers:

Burchell, R. J.
Story, W. H.

PAIRS.

| | |
|-----------------|------------------|
| Anstey, F. | Watt, W. A. |
| Ryan, T. J. | Kerby, E. T. J. |
| Charlton, M. | Groom, L. E. |
| Mahon, H. | Livingston, J. |
| Watkins, D. | Chanter, J. M. |
| Higgs, W. G. | Marks, W. M. |
| Lavelle, T. J. | Fowler, J. M. |
| Mathews, J. | Bamford, F. W. |
| Makin, N. J. O. | Greene, W. M. |
| Brennan, F. | Best, Sir Robert |

Question so resolved in the negative.

In Committee:

Clauses 1 and 2 agreed to.

Mr. McWILLIAMS (Franklin) [10.11].

—I move—

That the following new clause be inserted:—

Nothing contained in this Act shall be deemed to prevent any person or persons, either individually or collectively, from prospecting for, developing, manufacturing, refining, and marketing any well oil, shale, or other oil, in any part of the Territories or areas mentioned in this Act."

If the provisions of the Bill do not interfere with any one having a free hand in the development of the oil industry of Australia no objection can be taken to the proposed new clause. It is an additional safeguard, and simply provides, for what many honorable members have been

advocating, that there shall be no obstacles placed in the way of other companies who desire to operate in any of the Territories or areas mentioned in the Bill. We have already threshed this matter out, and I, therefore, do not intend to repeat what I have already said; but, for the safety of the industry in Australia, I think it is necessary that such a provision as this should be inserted.

Mr. HUGHES (Bendigo—Prime Minister and Attorney-General) [10.13].—I do not know the object of the proposed new clause; it is entirely new to me. This is a proposal for a co-operative enterprise in which the Government is the predominant partner, and the honorable member for Franklin (Mr. McWilliams) now desires that everybody shall be able to operate, and that nothing in this Bill shall be held to prevent them coming in and cutting the throat of the Government at the earliest opportunity. That is what it means if it means anything at all. These gentle aids to Government enterprise no doubt appeal to some honorable members; but I am bound to say that I cannot conceive of anything more calculated to assist the foreign exploiter than such a proposal as this. It is an invitation for every one to come here and do whatever they please. It is as foreign to the Bill as it is possible to conceive. All that the Bill does is to give effect to the agreement. The amendment proposes that nothing contained in this measure, meaning the Bill as distinct from the agreement, shall be deemed to prevent any person or persons, either individually or collectively, from prospecting for, developing, manufacturing, refining, and marketing any well oil, shale or other oil in any part of the Territories or areas mentioned in the Act. The proposal goes very much further than the honorable member intends, if one is to deduce his intentions from his words. For example, it may be held that the agreement gives persons the right to prospect for oil in any Territory of the Commonwealth. But it does not. We do not propose to allow any person to prospect for oil in New Guinea, except under our direction and under certain prescribed and proper restrictions.

Mr. RICHARD FOSTER.—They can do so on the mainland.

Mr. HUGHES.—Yes.

Mr. TUDOR.—They cannot do anything of the kind unless they get the permission of the Anglo-Persian Oil Company.

Mr. HUGHES.—God forbid that I should do anything to dissolve the bonds of this unholy alliance between the honorable member for Yarra (Mr. Tudor) and the honorable member for Franklin (Mr. McWilliams). I can only say, as I have said frequently in the discussion of this Bill, that there is nothing to prevent any one from coming here to start another refinery, or to prospect for oil. Furthermore, I said this afternoon that the Government proposed to aid in the search by offering £50,000 for the discovery of oil. But now the honorable member wishes to sweep this to one side by putting in a clause the scope of which may go, for aught I know, very much further than honorable members are prepared to let it go. Since the Bill cannot take away any right from anybody, except as set out in the agreement, and since the agreement does not prevent any one from coming here to prospect for, or develop, or refine oil, the proposed new clause is superfluous, and to the extent that it mentions the Territories, which we are resolved to reserve as the prerogative of the Crown, it is dangerous. I hope honorable members will not agree to it.

Mr. TUDOR (Yarra) [10.20].—I trust honorable members will agree to the new clause. Honorable members opposite advocate open competition, while we on this side stand for Government monopoly; but I propose to support the clause because it will permit others to come here and erect refineries, and will not permit the people of Australia to be swallowed by the Anglo-Persian Oil Company.

Mr. RODGERS (Wannon) [10.21].—If the new clause were inserted in the Bill it would most effectively reduce to nothing the agreement entered into between the Government and the Anglo-Persian Oil Company, and open wide the opportunity to the Standard Oil Corporation, the Shell Group, and other companies to operate here while not bound by any of the conditions by which the Anglo-Persian Oil Company undertake to refine oil for the Commonwealth. It would make the Territories of the Commonwealth the spoil of the great concerns that hold a monopoly here to-day. No attempt is made by the honorable member for Franklin (Mr. McWilliams) to harness any outsider to the conditions under which the Commonwealth is endeavouring to safeguard the operations of the Anglo-Persian Oil Company. All the trouble the Government have taken to

insure the supply of oil to Australia in the hour of emergency will be put in jeopardy. At the very foundation of the agreement is the recognition of the fact that the hour of danger may arrive when the whole of the Pacific may be in turmoil. If the two great contending Powers bordering the Pacific to-day come into conflict, we may be cut off from the rest of the world, and the mobility of our Fleet reduced to naught. We would look in vain for a supply of oil from one of the great competitors in the struggle, and assuredly we would be drawn into the maelstrom of war, because these two great contending forces which are to-day more or less our Allies, would certainly require our foodstuffs and our raw material, and as soon as either secured supplies from us, those very supplies would be declared contraband by the other. In such circumstances, we should look in vain for supplies of oil from any other source. This agreement is an honest endeavour to provide supplies of oil within the Commonwealth or our Territories for the hour that may arise, and the company with whom we are making it is good enough for Great Britain. I repeat that the proposal of the honorable member for Franklin would render valueless all the trouble the Government have taken to safeguard Australia from the need to depend on foreign competitors for supplies of oil.

Mr. BLAKELEY (Darling) [10.24].—I voted against the second reading for reasons I previously advanced. I voted to refer the measure to a Select Committee. The motion was defeated. I have already voted against giving a semi-Government institution the right of a monopoly over oil, because nothing will satisfy me but a Government monopoly in the commodity. Now, as I do not propose to allow any of the subsidiary companies of the giant oil corporations to come into Australia, or one of its Territories, or one of the Possessions over which we have a mandate, I shall vote against this clause. There are two brothers named Stewart. One of them is "sitting down" on oil wells discovered by the Germans in Rabaul. The other is in Melbourne to-day. They are trying to get some fledglings on the Stock Exchange. They desire to float a syndicate and ultimately to dispose of the oil wells which the Germans unsuccessfully attempted to conceal. It may be that there

are sufficient persons in Melbourne who are willing to aid them financially. But I am not prepared to allow them to go there. If this amendment be carried, they will be at liberty to go there; and for that reason I shall vote against it.

Mr. McWILLIAMS (Franklin) [10.26].—I can quite understand the attitude of the honorable member who has just resumed his seat. He has said straightforwardly that he does not wish to allow Australians to embark upon the oil industry. He is logical and straight. The honorable member for Wannon (Mr. Rodgers) has talked more absurdly upon this question than has any other honorable member to whom I have listened. Throughout the debate upon the Bill the objection urged to its reference to a Select Committee has been that there is nothing to prevent anybody outside the Anglo-Persian Company from embarking upon the industry.

Mr. MAXWELL.—There is nothing to prevent them from finding oil.

Mr. McWILLIAMS.—I accept the honorable member's definition. But may I ask him what would be the value of any discovery of oil in Australia to its discoverers? This amendment will really test the feeling of the Committee as to whether we are going to create a gigantic Incheape Combine by preventing the people of Australia from developing the oil industry.

Mr. HUGHES (Bendigo—Prime Minister and Attorney-General) [10.28].—This amendment ought not to be agreed to for many reasons. It says that nothing contained in this Act shall be deemed to prevent any person or persons from prospecting or developing, manufacturing, refining, and marketing any well oil, shale, or other oil "in any part of the Territories or areas mentioned in this Act." Now, no Territories or areas are mentioned in the Bill. It has nothing whatever to do with the finding of oil, but merely with its treatment when found. If the words in the amendment relating to "any part of the Territories or areas mentioned in this Act," but which are not mentioned in it, were struck out, and there were substituted a provision that the Commonwealth should have the same right to fix the price of oil as it has in connexion with the Anglo-

Persian Company, then it would be quite all right.

Mr. McWILLIAMS.—I will accept that amendment.

Mr. HUGHES.—The only "areas" mentioned in the Bill are in Persia. That is where the crude oil will come from. There are no "Territories" mentioned in the measure. We merely say to the Anglo-Persian Company, "You shall not sell oil here except under certain conditions, and we shall fix the price of it." But the amendment would allow the foreigner to come here and to ruin our industry. That will not do. The honorable member sought to kill the Bill in one way, and now he is seeking to kill it in another way. Neither method will be successful.

Mr. HECTOR LAMOND.—I rise to a point of order. I submit that the amendment is not in order, inasmuch as it is outside the order of leave. The Bill is one to approve of an agreement which has been entered into by the Commonwealth with the Anglo-Persian Oil Company Limited. Clause 2 approves of that agreement, and the remainder of the measure is practically the agreement itself. The amendment is an attempt to introduce extraneous matter, and I submit that it is, therefore, out of order.

The **TEMPORARY CHAIRMAN** (Mr. Atkinson).—I rule that the proposed new clause is in order.

Mr. FENTON (Maribyrnong) [10.31].—I understand that the Prime Minister is prepared to accept the amendment provided that certain words are excised from it.

Mr. HUGHES.—Provided that the honorable member for Franklin agrees to strike out all the words that I desire to have struck out, and to insert all the words that I desire to have inserted.

Mr. FENTON.—The Prime Minister, if he is going to stick to his promise for once, has told us the words that he desires to have struck out, and the honorable member for Franklin (Mr. McWilliams) agreed to accept the amendment.

Mr. McWILLIAMS.—I called his "bluff," and he turned it down.

Mr. FENTON.—The Prime Minister, without a smile on his face, looked straight at the honorable member for Franklin, and said that provided certain words were eliminated he would accept the amendment.

Mr. HUGHES.—Provided that certain words were struck out, and that certain words were put in.

Mr. FENTON.—That may be the Prime Minister's amended statement, but it is not his original statement. I suggest that the honorable member for Frank-lin should include in his amendment a proviso that, subject to Commonwealth control, every company shall be afforded the fullest opportunity of coming into Australia. But either with or without that limitation I shall support the amend-ment.

Question.—That the proposed new clause stand part of the Bill—put. The Committee divided.

| | | | | |
|------|----|----|----|----|
| Ayes | .. | .. | .. | 15 |
| Noes | .. | .. | .. | 34 |

| | | | |
|----------|----|----|----|
| Majority | .. | .. | 19 |
|----------|----|----|----|

AYES.

| | |
|-------------------|-----------------|
| Cook, Robert | Page, Dr. Earle |
| Cunningham, L. L. | Stewart, P. G. |
| Fenton, J. E. | Tudor, F. G. |
| Gabb, J. M. | West, J. E. |
| Hill, W. C. | Wienholt, A. |
| Mahony, W. G. | <i>Tellers:</i> |
| Maloney, Dr. | Catts, J. H. |
| McWilliams, W. J. | Page, James |

NOES.

| | |
|------------------|----------------------|
| Bayley, J. G. | Lazzarini, H. P. |
| Bell, G. J. | Lister, J. H. |
| Blakeley, A. | Mackay, G. H. |
| Blundell, R. P. | Marr, C. W. C. |
| Bowden, E. K. | Maxwell, G. A. |
| Bruce, S. M. | Moloney, Parker |
| Cameron, D. C. | Nicholls, S. R. |
| Considine, M. P. | Poynton, A. |
| Cook, Sir Joseph | Prowse, J. H. |
| Corser, E. B. C. | Riley, E. |
| Fleming, W. M. | Rodgers, A. S. |
| Foster, Richard | Ryrie, Sir Granville |
| Francis, F. H. | Smith, Laird |
| Gibson, W. G. | Wise, G. H. |
| Hughes, W. M. | |
| Jackson, D. S. | <i>Tellers:</i> |
| Jowett, E. | Burchell, R. J. |
| Lamond, Hector | Story, W. H. |

PAIRS.

| | |
|-----------------|-----------------|
| Anstey, F. | Watt, W. A. |
| Ryan, T. J. | Kerby, E. T. J. |
| Charlton, M. | Groom, L. E. |
| Watkins, D. | Livingston, J. |
| McDonald, C. | Chanter, J. M. |
| Lavelle, T. J. | Marks, W. M. |
| Mathews, J. | Fowler, J. M. |
| Makin, N. J. O. | Bamford, F. W. |
| Brennan, F. | Greene, W. M. |

Question so resolved in the negative.

Proposed new clause negative.

Motion (by Mr. HUGHES) agreed to—

That the schedule be left out with a view to insert in lieu thereof a new schedule.

Proposed new schedule—

14. In order to insure the full success and development of the oil-refining industry in Australia, the Commonwealth will, so long as the prices charged by the Refinery Company for products of refining are considered by the Commonwealth fair and reasonable, but not further or otherwise—

(a) exercise or cause to be exercised such statutory and administrative powers as it deems advisable to prevent dumping and unfair competition by importers of refined oil from other countries;

(b) refund to the Refinery Company any Customs duty paid by the Refinery Company upon the importation into Australia of crude mineral oil purchased from the Oil Company and refined in Australia by the Refinery Company; and

(c) cause to be introduced into the Parlia-ment of the Commonwealth and supported as a Government measure a Bill providing for the imposition of Customs duties on crude mineral oil whenever in its opinion such action is necessary or advisable to prevent unfair competition with the products of crude oil refined in Aus-tralia by the Refinery Company.

Mr. TUDOR (Yarra) [10.42].—I move—

That sub-paragraphs b and c of paragraph 14 be left out.

I take it that it will be for Parliament to decide any Tariff concession given to this or any other company. If this company is refunded the duty paid on the impor-tation of crude mineral oil, it will place it in a position to defy competition. To this I object, because, in my opinion, every company should be treated alike. The Prime Minister (Mr. Hughes), who, at an earlier stage, said that I had, in days gone by, converted him to the vir-tues of Protection, knows that I have never asked that any enterprise or in-dustry shall be given an advantage that is not given to all similar enterprises and industries.

Mr. HECTOR LAMOND.—This advantage will have to be given to every refinery.

Mr. TUDOR.—No, it will not, as the honorable member will see if he looks again at the two paragraphs that I pro-pose to omit. Under paragraph c pro- vision is made for the imposition of a duty on crude mineral oil, while under paragraph d the duty paid is to be re-fundred to the refinery company.

Mr. HECTOR LAMOND.—Those paragraphs would not prevent Parliament from extending the same privileges to any other refinery.

Mr. TUDOR.—The Anglo-Persian Oil Company might say that they entered into an agreement, believing that the privilege would be confined to them. At the present moment, the agreement not having been ratified, they would probably accept anything, but to-morrow the position will be different.

Mr. CORSEER.—Are not these paragraphs necessary to prevent dumping?

Mr. TUDOR.—No; dumping is provided against in paragraph a.

Mr. HUGHES (Bendigo—Prime Minister and Attorney-General) [10.47].—I shall give the Leader of the Opposition what, I think, he will admit are good reasons for not persisting in the amendment. I could recognise the force of his argument were the clause as he represented it, but he did not quote the whole of it. Taken as a whole, the provision is a sensible one, and necessary in the interests of Australian interests. Paragraph 14 reads—

In order to insure the full success and development of the oil-refining industry in Australia, the Commonwealth will, so long as the prices charged by the Refinery Company for products of refining are considered by the Commonwealth fair and reasonable—

- (a) exercise or cause to be exercised such statutory and administrative powers as it deems advisable to prevent dumping and unfair competition by importers of refined oil from other countries;
- (b) refund to the Refinery Company any Customs duty paid by the Refinery Company upon the importation into Australia of crude mineral oil purchased from the oil company and refined in Australia by the Refinery Company; and
- (c) cause to be introduced into the Parliament of the Commonwealth and supported as a Government measure, a Bill providing for the imposition of Customs duties on crude mineral oil whenever in its opinion such action is necessary or advisable to prevent unfair competition with the products of crude oil refined in Australia by the Refinery Company.

I say to the honorable gentleman who, as I have before admitted, by example and precept led my footsteps along the road which the Free Trader believes to lead to perdition, but which the Protectionist knows is the way to salvation, that if he

gives up that he gives up all, and undermines the corner stone of the temple. We cannot allow unfair competition within the Commonwealth, and one of the things that we have always been trying to do is to prevent outside competitors from ruining our industries. There are two reasons why the company should be given a refund of any Customs duties paid. It should be given a refund because the prices of its finished material are to be fixed by us, and must depend on the cost of the raw material. The less the raw material costs, the lower will be the cost of the finished product. How absurd it would be to say that what the people of this country want is cheap oil, and at the same time to charge a duty on crude oil. Then, again, the Commonwealth is to be a partner with the Anglo-Persian Oil Company. Yet the honorable member, who is a believer in Protection and in State enterprise, says to the Government, "Charge yourself duty, and do not refund any of it."

Mr. TUDOR.—No; I wish to omit paragraph c, under which provision is made for the charging of duty.

Mr. HUGHES.—The honorable gentleman considers it pernicious for the Government to refund to itself the duty charged, which is absurd. The clause, as it stands, is one which would be very useful if it could be applied to all our industries. If we could say to every manufacturer in Australia, "Unless you sell your goods at fair and reasonable prices we will open the Customs barriers, and let foreign articles come in; but if you will sell at reasonable prices we will protect you," the consumers and the country at large would benefit. I hope that the honorable gentleman now sees that his amendment lays the axe at the root of the evergreen and fruitful tree of Protection, whose growth has been so stimulated by his oratory and watered by the tears of his enemies.

Mr. McWILLIAMS (Franklin) [10.54].—I see little to object to in the paragraph, and, in my opinion, we can safely pass sub-paragraph c, because it will be useless. The agreement is to last for fifteen years, and before the end of that time there will have been in all probability some changes of Government. Could a Ministry which did not favour the Inchcape Combine be forced against its will to bring in a Bill in opposition to its policy, and compel its supporters

to vote for it? Whatever action may be taken will depend entirely on the views of the Government in office. If there is a Government in office in favour of continuing this Combine it will be prepared to pass this legislation, but if there is in office a Government opposed to a monopoly of this kind there is no power under this agreement to compel a majority in this Parliament to do anything.

Mr. TUDOR (Yarra) [10.56].—The honorable member is correct in saying that if the Government in power is opposed to this agreement it may under paragraph 14 of the schedule take away a great deal of the power the Anglo-Persian Company will have by means of the Tariff. But I have said twice already in the discussion upon this Bill that I desire to be perfectly honest with these people, and so far as the provision with respect to the duty is concerned, I say that I do not feel myself bound by it. If the Government intend to bolster up the Anglo-Persian Company they can impose a duty of 1s. per gallon, and refund it under the circumstances set forth, but there is nothing in the agreement to prevent the next Government, should it be opposed to the company, imposing a duty of one-thousandth part of a penny per gallon, and refunding that. I was glad to hear the Prime Minister (Mr. Hughes) say that my efforts in connexion with the Tariff diverted his infant footsteps into the path of Protection. I hope that the Minister for the Navy (Sir Joseph Cook), the honorable member for Grey (Mr. Poynton), and the honorable member for North Sydney (Sir Granville Ryrie) have also been converted.

40

Mr. HECTOR LAMOND.—The honorable member will need a few to make up for the falling off of others.

Mr. TUDOR.—The honorable member who interjects is also concerned in this matter, and it looks as if we are going to have stirring times when we are considering the new Tariff, which I look forward to with a great deal of pleasure. I shall not be found backward in supporting Australian industries, but I shall object to differential treatment of Australian industries.

Amendment negatived.

Proposed new schedule agreed to.

Title agreed to.

Bill reported with an amendment.

Standing Orders suspended, and report adopted.

Bill read a third time.

HOOR OF MEETING.

Motion (by **Mr. HUGHES**) agreed to—

That the House, at its rising, adjourn until half-past 2 o'clock p.m. to-morrow.

ADJOURNMENT.

ORDER OF BUSINESS.

Mr. HUGHES (Bendigo—Prime Minister and Attorney-General) [11.0].—I move—

That the House do now adjourn.

It is proposed to-morrow to deal first of all with the Estimates, and, if the House approves, with the amendments of the War Gratuity Act which have been agreed upon. A short measure for that purpose will be introduced.

Question resolved in the affirmative.

House adjourned at 11.1 p.m.



Members of the House of Representatives.

Speaker—The Honorable William Elliot Johnson.

Chairman of Committees—The Honorable John Moore Chanter.

| | | |
|--|----------------------|-------------------------------------|
| Anstey, Frank .. | Bourke (V.) | Johnson, Hon. William Lang (N.S.W.) |
| Atkinson, Llewelyn .. | Wilmot (T.) | Elliot |
| Bamford, Hon. Frederick .. | Herbert (Q.) | Jowett, Edmund .. |
| William | | Kerby, Edwin Thomas .. |
| Bayley, James Garfield .. | Oxley (Q.) | John |
| Bell, George John .. | Darwin (T.) | Lamond, Hector .. |
| Best, Hon. Sir Robert .. | Kooyong (V.) | Lavelle, Thomas James .. |
| Wallace, K.C.M.G. | | Lazzarini, Hubert Peter .. |
| Blakeley, Arthur .. | Darling (N.S.W.) | Lister, John Henry .. |
| Blundell, Reginald Pole .. | Adelaide (S.A.) | Livingston, John .. |
| Bowden, Eric Kendall .. | Nepean (N.S.W.) | Mackay, George Hugh .. |
| Brennan, Frank .. | Batman (V.) | Mahon, Hon. Hugh .. |
| Bruce, Stanley Melbourne .. | Flinders (V.) | Mahony, William George .. |
| Burchell, Reginald John .. | Fremantle (W.A.) | Makin, Norman John .. |
| Catts, James Howard .. | Cook (N.S.W.) | Oswald |
| Cameron, Donald Charles .. | Brisbane (Q.) | Maloney, William .. |
| Chanter, Hon. John Moore .. | Riverina (N.S.W.) | Marks, Walter Moffitt .. |
| Chapman, Hon. Austin .. | Eden-Monaro (N.S.W.) | Marr, Charles William .. |
| | | Clanan |
| ³ Charlton, Matthew † .. | Hunter (N.S.W.) | Mathews, James .. |
| ⁴ Considine, Michael Patrick .. | Barrier (N.S.W.) | Maxwell, George Arnot .. |
| Cook, Right Hon. Sir .. | Parramatta | McDonald, Hon. Charles .. |
| Joseph, P.C., G.C.M.G. .. | (N.S.W.) | McWilliams, William James .. |
| Cook, Robert .. | Indi (V.) | Moloney, Parker John .. |
| Corser, Edward Bernard .. | Wide Bay (Q.) | Nicholls, Samuel Robert .. |
| Cresset | | Page, Earle Christmas .. |
| Cunningham, Lucien Gwydir .. | (N.S.W.) | Grafton |
| Lawrence | | Page, Hon. James .. |
| Fenton, James Edward .. | Maribyrnong (V.) | Poynton, Hon. Alexander .. |
| ³ Fleming, William Mont- .. | Robertson (N.S.W.) | Prowse, John Henry .. |
| gomerie | | Riley, Edward .. |
| Foster, Hon. Richard .. | Wakefield (S.A.) | (N.S.W.) |
| Witty | | Rodgers, Arthur Stanis- .. |
| ² Fowler, Hon. James .. | Perth (W.A.) | laus |
| Mackinnon | | Ryan, Hon. Thomas .. |
| Francis, Frederick Henry .. | Henty (V.) | Joseph, K.C. .. |
| Gabb, Joel Moses .. | Angas (S.A.) | Ryrie, Sir Granville de .. |
| Gibson, William Gerrard .. | Corangamite (V.) | Laune, K.C.M.G., C.B., .. |
| Greene, Hon. Walter .. | Richmond (N.S.W.) | V.D. .. |
| Massy | | Smith, Hon. William .. |
| Gregory, Hon. Henry .. | Dampier (W.A.) | Henry Laird .. |
| Groom, Hon. Littleton .. | Darling Downs (Q.) | Stewart, Percy Gerald .. |
| Ernest | | Story, William Harrison .. |
| Hay, Alexander .. | New England (N.S.W.) | Tudor, Hon. Frank Gwynne .. |
| Higgs, Hon. William Guy .. | Capricornia (Q.) | ³ Watkins, Hon. David .. |
| Hill, William Caldwell .. | Echuca (V.) | Watt, Right Hon. William .. |
| Hughes, Right Hon. .. | Bendigo (V.) | Alexander, P.C. .. |
| William Morris, P.C., .. | | West, John Edward .. |
| K.C. | | (N.S.W.) |
| Jackson, David Sydney .. | Bass (T.) | Wienholt, Arnold .. |
| | | Wise, Hon. George Henry .. |

1. Sworn 27th February, 1920. — 2. Sworn 3rd March, 1920. — 3. Appointed Temporary Chairman of Committees.
4th March, 1920. — 4. Made affirmation 5th March, 1920.
† Sworn 11th May, 1920.

HEADS OF DEPARTMENTS.

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House of Representatives.—W. A. Gale.

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Library.—A. Wadsworth.

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COMMITTEES.

SENATE.

DISPUTED RETURNS AND QUALIFICATIONS.—Senator Barnes, Senator Keating, Senator Lynch, Senator Maughan, Senator O'Keefe, Senator Pratten, and Senator Senior.

STANDING ORDERS.—The President, the Chairman of Committees, Senator Barnes, Senator de Largie, Senator Foll, Senator Guthrie, Senator McDougall, Senator O'Keefe, and Senator Earle.

LIBRARY.—The President, Senator Bolton, Senator Gardiner, Senator Keating, Senator Lynch, Senator Maughan, and Senator Pratten.

HOUSE.—The President, Senator Bakhap, Senator Buzacott, Senator Guy, Senator O'Loghlin, Senator Needham, and Senator Rowell.

PRINTING.—Senator Barker, Senator Grant, Senator Guy, Senator Newland, Senator Plain, Senator Reid, and Senator Senior.

PUBLIC ACCOUNTS (JOINT).—Senator Crawford, Senator Earle, Senator McDougall.

PUBLIC WORKS (JOINT).—Senator Henderson, Senator Needham, Senator Newland.

HOUSE OF REPRESENTATIVES.

STANDING ORDERS.—Mr. Speaker, the Prime Minister, the Chairman of Committees, Mr. Atkinson, Mr. Charlton, Mr. Fowler, and Mr. Tudor.

LIBRARY.—Mr. Speaker, Mr. Anstey, Mr. Fleming, Mr. Fowler, Mr. Higgs, Mr. Lamond, Mr. Mackay, Mr. Maxwell, Mr. Maloney*, and Mr. McDonald.

HOUSE.—Mr. Speaker, Mr. R. W. Foster, Mr. Gregory, Mr. Livingston, Mr. Mathews, Mr. James Page, Mr. Rodgers, and Mr. Watkins.

PRINTING.—Mr. Bamford, Mr. Bowden, Mr. Corser, Mr. Fenton, Mr. McWilliams, Mr. Riley, and Mr. West.

PUBLIC ACCOUNTS (JOINT).—Mr. Bayley, Mr. Fenton, Mr. Fleming, Mr. Fowler, Mr. Prowse, Mr. West

PUBLIC WORKS (JOINT).—Mr. Atkinson, Mr. Bamford, Mr. Gregory, Mr. Mackay, Mr. Mathews, and Mr. Parker Moloney.

SEA CARRIAGE: SELECT COMMITTEE.—Mr. Atkinson, Mr. Burchell, Mr. Corser, Mr. Foster, Mr. Mahony, Mr. McWilliams, and Mr. Watkins.

* Appointed 30th March, 1920.